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Personnel Management and the Merit Principle

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A
Working Paper

SECTION I - PERSONNEL MANAGEMENT

and the

MERIT PRINCIPLE

A

WORKING PAPER

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W O R K I N G P A P E R

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S E C T I O N I

INTRODUCTION

SECTION I

INTRODUCTION

1. Personnel Management and the Merit Principle under Review

On February 4, 1977, the President of the Privy Council announced the establishment of a Special Committee on the Review of Personnel Management and the Merit Principle, to be composed of a chairman, a representative of the government, and a representative chosen by the unions. The current focus on federal public service employment practices* follows earlier attention to collective bargaining in the public service, which culminated in the Report by J. Finkelman Q.C. entitled Employer/Employee Relations in the Public Service and the Report of the Joint Committee of the House of Commons and the Senate on Employer-Employee Relations.

Those who made representation to the special committee interpreted the creation of the committee as an acknowledgement by those responsible that there is a need for improvement in personnel management and an implied commitment to take positive action after receiving the committee's report.

* In the context of this document, the term "employment practices" includes those matters which fall under the Public Service Employment Act -- specifically recruitment, promotion, transfer, layoff, demotion, release, and training practices, and the related redress mechanisms.

The members of the committee believe in the general high quality of management in the public service, and in the manifest commitment of managers, and employees to provide a superior level of service and they have seen examples of excellent departmental personnel systems. The critical nature of many of the views stated in this paper should not be interpreted as denying or discrediting the good that exists. Nor, on the other hand, should any who feel that personnel practices are satisfactory throughout the public service, or within a given department, dismiss too lightly the perceptions and experiences of a wide cross-section of intervenors. It is not a comfortable experience to have to expose, or to have exposed, our warts while our beauty spots remain hidden. This however, is in the nature of our task, and we hope those individuals who may feel badly treated by the discussions reported in these pages can accept it with a degree of equanimity.

2. Purpose of the Working Paper

This working paper, therefore, has three major purposes:

1. To report on the representations we have received.
2. To identify problems which intervenors have considered crucial.
3. To focus on key issues for further consideration by intervenors.

3. The First Phase - Problems and Evidence

Our intent in this working paper is, to reflect the overall picture shown by the information placed before us. Any interested reader may pursue the details available in briefs which have been made public by the Public Service Commission (PSC) and by federal public service bargaining agents.

It is important to understand the source of the representations (described in detail in Appendix B). We heard from those most knowledgeable about the legislation, policies, procedures, and practices. Among them were some who, in both their present and past capacities, have carried the responsibility for the design and implementation of personnel management in the public service. Views presented on behalf of organizations, including central agencies, departments and bargaining agents, covered virtually the whole spectrum of the Public Service Employment Act (PSEA).

The experience of regional public service managers with the present personnel management system added a significant dimension to our study. In each of eighteen centres, we invited a group of managers to express their views on necessary improvements. More than two hundred

and fifty managers were chosen to reflect a cross-section of departments, occupational groups, and other circumstances unique to personnel management in each centre.

Individual public servants, whether offering a managerial or employee perspective, presented views based on their own experiences and their observations of the experience of others. The differences in personnel management among the thousands of federal establishments across the country were underscored by the variety of perceptions among tradesmen, administrators, professionals, and others who work for the public service.

We received views from several groups of public servants, at various levels, who had taken the initiative to develop thoughtful briefs for the special committee. Their themes reflected the belief that improved personnel management is possible and, indeed, essential to the health of the public service. Federal employees gave of their own time to meet with the committee, including the largest turnout we experienced -- more than a hundred -- who chose to attend an employee meeting in Vancouver rather than watch a Stanley Cup final hockey game. The views reflected in this working paper are clearly not only those of the minority of malcontents.

We recognized, however, that public servants who were satisfied with personnel management were unlikely to tell us so. We therefore sought opinions through a telephone survey of a sample of public servants selected at random to represent a cross-section of public service occupations and levels, geographic and organizational locations. They replied, on a confidential basis, to a structured questionnaire, which isolated key issues on which employees had commented. In general, the dissatisfaction of those surveyed was directed at the system, not at individuals involved in its administration. They considered many managers ill-equipped to fulfill the obligations of managing people. Reactions in the telephone survey, only slightly less negative than those of individuals who submitted briefs and met with us, give little cause for complacent denial of the dissatisfaction of employees with the employment practices of the public service.

The major portion of this working paper, then, is the description of the views put before us. Unless substantiated, these views are not necessarily the views we hold. However, one of the most difficult tasks will be the separation of perception from reality before proposing remedies for each.

The lack of confidence in present employment practices, however, expressed so consistently and so vocally by managers and employees across the country, clearly must be acknowledged.

There are cases where information brought forward contradicts some opinions we have heard. For example, this working paper describes the strong criticism of many, but not all, of the managers we met, concerning referrals from Canada Employment Centres in the administrative support and operational categories. A recent Public Service Commission audit report of the referral process, described in the section on "Current Initiatives," concludes that approximately 80% of departmental representatives are satisfied with the quality of referrals received, and that the speed of service for both regular and urgent orders is satisfactory more than 90% of the time.

In other cases, the views of individuals may have been based on experience with processes that have since been changed. The section of this paper on "Current Initiatives" reports recent service-wide changes, some of which represent an initial response to criticisms we have heard. We believe intervenors need this information, particularly in cases where the situation may not, in fact, be as bad as it appeared to intervenors at the time.

4. The Second Phase

Our recommendations must have a potential for acceptance by the government. In the final analysis, implementation of recommendations will depend heavily on the degree of support they enjoy. This support will, in turn, be strongly influenced by the extent to which those who differ are willing to reconcile their interests. The soundness of our recommendations will depend heavily on the response to the issues presented in this working paper from those whose stakes are highest in improved public service employment legislation, policies, and practices.

S E C T I O N I I

ISSUES

A. THE PUBLIC SERVICE EMPLOYMENT ACT - AN OVERVIEW OF ISSUES

SECTION II

ISSUES

A. THE PUBLIC SERVICE EMPLOYMENT ACT

- AN OVERVIEW OF ISSUES

Discussion of each of the issues included in Section II of the working paper is based on the representations made to the special committee. Key proposals for change in the PSEA and its administration were made by major intervenors:

We have heard proposals that merit should not be the only guiding principle for the employment practices of the public service. The PSC's brief suggests that personnel management should be based on principles of efficiency and effectiveness, sensitivity and responsiveness, equality of access, equity, and merit. They argue that explicit recognition of these five principles in legislation would provide the framework for employment policies and practices which would also implicitly recognize the need to balance these principles.

Most intervenors concluded that the present reliance on extensive procedural controls constitutes

an inappropriate means of safeguarding merit as the basis for appointments. We heard proposals that the principles governing personnel management, should be established by legislation, while the operational direction of the system should rely on general policies and guidelines.

Many intervenors believe that the present universality of the system is a prime cause of rigidity. They favour some means of adapting it to the requirements of various occupational groups, departments, and geographical locations in the public service.

Most bargaining agents advocated extension of collective bargaining to matters under the PSEA, as a means of involving employee representatives in protecting legitimate employee interests in all aspects of public service personnel management.

Intervenors have pointed to the need for unified central policy direction for the personnel function, and to the need for a strong protector of merit, acting independently on behalf of Parliament, as reasons for re-examination of the present roles and structures.

Some intervenors argued that managers at all levels be held accountable for the selection of staff according to merit, for the training of public servants to meet the requirements of their jobs, for appraising the performance of employees, for assessing and supporting the development of employees' potential to assume further responsibilities, and for removing employees whose performance is not satisfactory. This accountability would be possible, managers argue, only within a milieu that affords them the necessary freedom to act, without the heavy hand of restrictions they claim now to exist.

An additional issue raised by the PSC is the scope of the Act -- that is, whether appointments to positions in certain agencies or groups should be made under the PSEA, and whether employees of certain agencies or groups should have access to closed competitions in the public service.

Recommendations and criticisms are dealt with in greater detail in each of the individual sections which follow. There is repetition of certain recommendations and criticisms made necessary by separating the discussion of closely related issues.

B. HIGHLIGHTS OF REPRESENTATION

SECTION II-B-1

MERIT

Introduction

Parliament directed, in 1917, that appointments to the public service should be made on the basis of merit, and not on patronage. In Canada, as in most western democracies, the principle of merit continues to be the fundamental element in staffing our public institutions. Merit, as such, is not defined in legislation, but it has traditionally expressed the notion of a competitive process, in which selection is based on fitness to perform the job.

The Public Service Commission has discretionary power under the PSEA to determine how merit is to be established "in the interests of the public service".

Under the umbrella of the PSEA are regulations, directives, policies, and procedures related to the employment of public servants and to their development and advancement. Together they constitute the framework of what is known as the merit system.

Issues and Criticisms

1. Definition. Intervenors voiced the unanimous

conviction that merit must continue to be the basis for appointments to the public service. However, it is clear that merit means different things to different people. What is less clear is whether this variety of interpretation is a problem or an advantage.

From discussion, we can draw the threads of support for a definition which incorporates notions of competence and suitability to do the job, and of objective assessment of each candidate's competence and suitability, in a competitive process free from political intervention. There was also support for the idea that the public service belongs to Canadians, all of whom should have the right to be considered for employment there. There were those who interpreted merit in the sense of "deserving", and therefore proposed incorporation of the concept of reward for faithful service or seniority.

Opinions were divided as to the desirability of enshrining a definition of merit in law. Some favoured the present situation; others felt that a statutory underpinning was essential to ensure consistency of interpretation.

Most employee representatives concentrated their attention on the factors that should determine merit.

Generally, they believed that the word "merit" must be given new life and meaning. They affirmed that this could best be accomplished through collective bargaining, which would provide flexibility, since the selection factors would vary according to the category and group of positions to be staffed. Details of proposals concerning relevant factors are included in the section of the working paper dealing with selection standards and their use in the selection process.

2. The Merit System. While virtually everyone agreed on the value of the merit principle, severe criticism was levelled at the application of the merit system. The views expressed to the committee suggested the view that political patronage has been erased from public service appointments, but a high percentage of employees who appeared before us perceived that administrative patronage was prevalent. In their words, it is not what you know but who you know that influences career advancement.

More than two fifths of the respondents in the telephone survey believed that many competitions are structured in such a way that a predetermined candidate wins. When questioned on the matter, a number of employees and employee representatives stated that they did not

disagree with any specific selection that had been made. Rather, they said, the nature of the selection process provided grounds for their allegations.

This raises a number of difficult questions. For example, can an employee who is a friend of a supervisor ever be promoted within the unit without a charge of administrative patronage being levelled?

Some employees and some managers said they were convinced that administrative patronage exists as a fact, not simply as a perception. Understandably, no concrete evidence was provided to the committee. Nevertheless, even at the level of perception, the strength of the perception should be a matter of grave concern.

There are also those who charge that the extensive protection for employees and candidates provided by the present system constitutes nothing but a caricature of the original intention to protect the staffing system from political influence. Managers' criticism of the merit system centred on its paralyzing effect on the staffing procedure. Means must be found, they argued, to simplify the system and make it more responsive to operational requirements. Few representations received

to date offer concrete proposals toward improving either the responsiveness or the effectiveness of the system.

Intervenors will find more detailed discussion of the views presented concerning the merit system in the staffing sections of this working paper.

3. Wider Perspectives. The discussion thus far has proceeded from the traditional context for the application of merit in public sector employment practices. We have also heard, however, compelling arguments suggesting that merit must be viewed from a wider perspective. Proponents of these views challenged the committee to propose a concept of merit that will better accommodate the requirements of the public service in the 1980s.

The Public Service Commissioners have expressed a conviction that Parliament must provide explicit instruction concerning those principles that should provide a framework for public service personnel management. They contend that the public interest extends beyond the application of a single principle, merit. Their proposal to the special committee suggests that the principle of merit be tempered by additional considerations. They propose that the PSEA incorporate five basic principles:

1. Efficiency and Effectiveness: The raison d'être of the Public Service is to ensure that government programs and services are developed and, once approved, are administered in an effective and efficient manner. It is essential, as a result, that employment policies and practices be supportive of this. As such, they should assist managers to acquire, use, motivate, and develop the people needed to get the work done.

2. Sensitivity and Responsiveness: Canadians expect that the services provided by their government respond to their needs and concerns. It is essential, in this regard, that the Public Service be, and be seen to be, sensitive and responsive to individuals and to the particular communities being served. Employment policies and practices can and should play a vital role by ensuring that the background, knowledge, and experience of public servants ensure that there be a good understanding of the various communities in the Canadian society.

3. Equality of Access to Public Service Employment: Canadians have a right to expect equal consideration for employment in the Public Service. It is essential that employment policies and practices respect this right and promote effective equality of opportunity for all Canadians, except where preferential treatment for certain groups has been openly and publicly enshrined in, or permitted by, legislation.

4. Equity: Employment policies and practices should be characterized by equity, thereby resulting in public servants being visibly treated in a fair and impartial manner.

5. Merit: The principle of merit has served as the basis of appointment to and within the Public Service for over seventy years. By merit is meant the objective assessment of candidates in

terms of their qualifications, such as relevant education, experience, and job performance. The policies and practices devised to ensure the application of merit have evolved over the years to adapt to changing circumstances and values. These policies and practices should continue to provide for appointment to, and career advancement within, the Public Service, based on the merit of each individual but taking into account the requirements of the other principles."

Indeed, the proposals of the Public Service Commission made to the special committee were, in their entirety, designed to illustrate a balanced application of these principles.

This paper does not discuss in any analytical way the five principles proposed by the PSC. It assumes, however, that interested parties will wish to consider the PSC proposals when they address the subject of merit. The committee notes, for the information of the reader, that proposals which parallel those of the PSC have been submitted to the committee by a group of public service managers.

Application of the five principles, as the committee understands the proposal, would require that staffing guidelines and processes explicitly reflect an

appropriate recognition of, and interplay among, each of the principles. For example, it might be postulated that only a Canada-wide competition can determine the most meritorious candidate for a nurse's aid position in the Far North. The principle of efficiency and effectiveness, and perhaps that of sensitivity and responsiveness, however, may suggest otherwise. Appropriate trade-offs thus need to be considered in formulating policy and guidelines for the staffing system. Presumably they would recognize variability in the application of the principles to differing requirements in the various operational groups.

Views have been expressed to the committee that the concept of merit embraces the other four principles put forward by the PSC. The consideration of merit would be greatly assisted by discussion and proposals relative to this issue.

Some intervenors, particularly those public service organizations which serve minority groups, have claimed that the merit principle, as presently implemented, does not encourage sensitivity in the public service, which appears to accommodate only certain sections of Canadian society. In this respect, underrepresentation of specific groups is considered a failure of the merit principle, which

is supposed to ensure that people are judged on merit, regardless of ethnic origin. It has also been argued that underrepresentation diminishes the capacity of the public service to be fully responsive to a multicultural public. Indeed, some intervenors went so far as to argue that the need for responsiveness demands the consideration of membership in certain ethnic, social, or economic groups as an element of merit.

Other assumptions which have traditionally flowed from the concept of merit have also been challenged before the committee.

We also heard the view that strict adherence to the factor of merit limits a manager's field of choice when evaluating candidates. He is restricted to considering their abilities to meet the requirements of a current vacancy, when he should be able to assess them on the basis of their potential contribution to the organization as well. Proponents of this viewpoint argue that employment policies and practices must allow organizations to plan for the best deployment and development of staff to meet future, as well as present, needs. Selection decisions, they believe, must be based on broader criteria, which would permit consideration of the individual's potential to develop

and of the organization's projected need for staff possessing certain knowledge and skills. Such an approach, they argue, is essential to the human resource planning that is imperative for effective operation of the public service.

Except in routine and static jobs, they maintained, position descriptions are merely administrative fictions, perhaps necessary for exercising control over numbers of positions and organizational authorities, but irrelevant to the work actually performed. They challenged the assumption that organizations should mould the person to the job, suggesting rather that the job should be moulded to the person, as long as the organization's capacity to carry out its mission is not diminished. One deputy minister suggested, for instance, that managers be given discretion to mix and match within the total package of job requirements for all members of their organizations. This, he maintained, would better reflect the reality of how work is organized.

Before addressing specific proposals for improvement of various aspects of the personnel system, we consider it vital that intervenors examine the basic questions raised by the views we have heard and recorded on the question of merit:

1. Definition: Should merit be defined in legislation? If so, how should it be defined?

2. The Merit System: What changes are necessary to assure employees that they are protected against bureaucratic patronage? Is it inevitable that a system to provide such protection be as complex, as rigid, and as time-consuming as the procedures currently being followed? If not, what changes would reduce the complexities, rigidities, and delays associated with the present system?

3. Wider Perspectives: Should new legislation incorporate the principles of efficiency and effectiveness, sensitivity and responsiveness, equality of access to the public service, and equity, in addition to the principle of merit? If so, what would be the effect on employment practices as they exist under the PSEA? Alternatively, is merit the sole principle to be defined? Does it implicitly, or should it explicitly, include the other four proposed principles? If the concept of merit implicitly incorporates the other four principles, how can these concepts be brought into play in the staffing process? Can policies, guidelines, or regulations relating to the five principles be effective, or even enforceable, if not enshrined in legislation? Should the concept of merit be enlarged to allow assessment of candidates in terms of their potential for future development as well as their

ability to meet the requirements of the immediate vacancy? If so, what considerations would need to be added to the present criteria established for assessment of candidates?

Conclusion

The basic principle of merit, albeit unwritten and imprecise, has remained essentially unchanged since its adoption by the public service seventy years ago. Representations made before the committee clearly suggest that all parties to the discussion find the present concept of merit restrictive or out of touch with the realities of today. We would enjoin those who are concerned about merit to re-examine the concept and its application, with a view to determining the essential characteristics of this otherwise abstract quality. Only such a re-examination can produce recommendations that will either reaffirm the existing concept or revise it to incorporate other elements and principles more appropriate to the public service of today.

SECTION II-B-2

POLITICAL PARTICIPATION

Introduction

Section 32 of the PSEA defines the rights of public servants to take part in the political process. Section 32(1) sets out the general limitations in the following words:

No Deputy Head and, except as authorized under this section, no employee, shall

- (a) engage in work for, on behalf of, or against a candidate for election as a member of the House of Commons, a member of the legislature of a province, or a member of the council of the Yukon Territory, or the Northwest Territories, or engage in work for, on behalf of, or against a political party; or
- (b) be a candidate for election as a member described in paragraph (a).

Section 32(2) notes that a person does not contravene Section 32(1) by reason only of attending a political meeting or contributing money to a candidate or a party.

Section 32(3) allows employees to request unpaid leave of absence to become candidates. Before

granting leave, the PSC must consider whether the usefulness of the employee in his or her position will be impaired by becoming a candidate. If elected, the employee ceases to be an employee of the public service.

Only candidates in an election may lodge a complaint that an employee has violated Section 32(1). The PSC conducts an inquiry into such allegations and dismissal of the employee may result.

Issues and Criticisms

On the question of whether public servants should have the right to engage in political activity, intervenors fell into one of three camps, comprising two extreme points of view and a middle ground. The three positions might be described as follows:

- (a) Public servants should not have the right to engage in any political activity, lest the public service be open to charges of political bias in the conduct of its work.
- (b) Public servants should have unrestricted rights to political activity, because to legislate otherwise is a denial of a citizen's basic rights.

(c) Public servants should have the right to engage in political activity within certain limitations, aimed at guarding against the perception or the possibility of advice and decisions being politically motivated.

The numbers favouring a ban on all political activity were relatively small. Considerably more felt there should be no restrictions. The majority, however, favoured a controlled approach, related to the nature of the public servant's duties, the level of government concerned, and the scope or nature of the political activity.

All but a very few intervenors felt that the present public service was free of political patronage. A minority felt that patronage still existed in some areas. Most, however, were prepared to recognize that the scope of acceptable political participation could vary according to the position and function of the employee and whether the activity took place in a municipal, territorial, provincial, or federal context.

It was apparent that intervenors had studied the problem primarily from their own point of view. Those

who opted for greater freedom did not appear to have considered the effect it might have on the public service as a whole, and those who recommended greater restriction had not fully considered the civil rights and duties of public servants.

The question of a public servant's right to be active in politics appeared to hinge on four separate but related issues, which were put before the committee in broad terms. The questions raised most often could be summarized under the following headings:

1. Basic Rights: Should any public servants be allowed to participate in the political process?

2. Position and Function: Should that right be related to the employee's position and function in the public service?

3. Scope: Should the right to participate be limited in scope? If so, what activities should be allowed?

4. Jurisdiction: Should the right to participate be restricted to specific jurisdictions, i.e., municipal, provincial, territorial, or federal?

Question Analysis

1. Basic Rights. A small group of those who

appeared before the committee were uncomfortable with the prospect that great numbers of public servants might become involved in the political process. They were not so much concerned with the involvement of individuals, but feared the involvement of the mass. They found it difficult to rationalize their concerns but nevertheless held them strongly, motivated chiefly by the fear of further erosion of public respect for public servants.

Very few intervenors recommended a total ban on political activity. Those who did argued that the exercise of political rights by public servants breeds a perception of patronage. They were concerned that the general public might perceive that employees working for a political party do so in the hope that they will be rewarded when and if it comes to power. Such fears would seem to be related more to rural than to urban areas of the country. In rural communities, public servants are far more likely to be known and even to be considered as leading citizens. The postmaster, the airport manager, the customs officer, and the park warden are known to many residents of a small community and are usually highly regarded. Those who would ban political activity argue that, should these public servants become involved in partisan politics, the whole public service might lose

valuable respect -- a commodity not in generous supply. Supporters of this point of view believe that giving up the right to political activity is the price of being a public servant. Most intervenors, however, thought that the price was too high and unrealistic.

2. Position and Function. Most intervenors agreed that employees in the operational and administrative support categories should be free to participate in the political process and that employees in the SX category should not. It was in the occupational groups between the two extremes that major differences in attitudes appeared.

Those who agreed generally with the idea of participation usually confined themselves to making a case for employees in the lower categories. They could see no reason why a clerk, a stenographer, a plumber, an electrician, or a labourer should not have the freedom to participate. Such employees, they argued, do not take part in contributing to the formulation of government policy, nor do they have the power to regulate any part of a private citizen's life. Most of them, however, felt that public servants who are in a position to influence government decisions should not have this freedom, because

it could be construed as a conflict of interest and the motivation of any political activist in making any given recommendation might be questioned.

There was general agreement that senior public servants, who are highly visible to the general public, either as directors and formulators of government programs or in a regulatory role should not be politically active.

Some intervenors questioned the propriety of certain officials to participate in party politics because of the dual nature of their role in the public service. An official who both advises private individuals or organizations on the observance of a law or regulation and recommends regulatory actions to his or her superiors, they felt, might generate suspicion by taking part in active politics. Examples cited were officers of DREE, IT&C, and Health and Welfare (particularly those involved in fitness and amateur sport), part of whose job was to counsel the private sector as to the most effective means of applying for federal funding or to interpret laws and regulations.

A number felt that those receiving such advice and counsel might feel that the value of advice offered

and the strength of the recommendation to superiors might depend on the political persuasion of either the organization or the officer concerned. Some intervenors, who were in this precise position, found it difficult to see how they could be politically active and still carry out their responsibilities equitably. Others found it an easy matter to differentiate between their responsibilities on the job and their other interests, political or otherwise.

With respect to public servants who perform a regulatory role, many intervenors stated that these public servants should not be given freedom to participate in party politics. Otherwise, the public might well perceive that a licence denial had political connotations when, in fact, it stemmed from failure to meet the requirements for the granting of a licence. The theme of most intervenors who took this position was that, when public servants are in direct contact with the general public, they must be seen to be politically neutral. The possibility of meeting a public servant during the day as a regulator of government policy and meeting him again at night as a campaign worker for a political party could be damaging to the credibility of the public service. Examples of employees in this category were given as: radio inspectors, customs officials, CEIC officers, and fisheries inspectors.

In summary, there was wide agreement that employees performing support or operational functions should have political freedom, while employees at senior levels should not. It was in the area of public servants who dispense advice and counsel or regulate government legislation that a large area of disagreement appeared.

Should the right to take part in political activity be related to the employee's position and function in the public service? If so, which functions should be excluded?

3. Scope. There was general agreement among those who supported extending the right to political activism that the extension should allow public servants to have candidates' posters on their lawns and bumper stickers on their cars. Beyond this point, however, there was considerably less unanimity.

Some intervenors would give full freedom to public servants to campaign actively on behalf of a political party, speaking at meetings, canvassing door to door, or acting as campaign managers. Others would limit the right to areas of lower visibility. They argue that public servants should be allowed to take part only in support roles, such as working in the office of a

candidate. In this way, they say, the public servant could perform a meaningful role for a political party without being the subject of public speculation or criticism. Still others argue that, once a public servant becomes involved, the depth of involvement would have little bearing on the public's perception of the effect of that involvement.

Should the right to participate in politics be limited in scope?

4. Jurisdiction. Intervenors felt that the effect of involvement in party politics would vary, depending on the political jurisdiction. Few saw any problem arising from public servants taking an active part in municipal politics. The only doubt that was raised in this area stemmed from the possibility of federal or provincial parties taking part in municipal campaigns. Others suggested that, once a public servant became involved in party politics, the jurisdiction of those politics made little difference.

A larger number of intervenors would allow participation in provincial than in federal politics, and greater scope of activity in the provincial field

as well. They argued that, since federal public servants do not advise or make recommendations on provincial matters, they should be regarded as private citizens in this area. Others held the view that, since the political parties were the same, the perception and effect would be the same, regardless of the jurisdiction. Some also felt that allowing public servants to participate in provincial election campaigns could be destructive of federal-provincial relations.

A special case was made with respect to public servants being active in territorial politics. Since federal government employees make up a large portion of the population in the territories, it was argued that to deny political participation would greatly affect the ability of parties to campaign effectively.

All those making representations to the committee on this subject agreed that, if there were to be any limitations to participation in party politics, they would be required to the widest extent in the federal jurisdiction.

Should the right to participate be limited according to whether the political field is municipal, provincial, territorial, or federal?

Conclusion

A politically active public service gives rise to a number of implications which require in-depth study. Not the least of these are the perception of the process by private citizens, the suspicion that might be aroused in the minds of politicians, and the possibility of conflict of interest in the employee's mind. Recommendations to change the present statute can be made only following such study, and the committee therefore invites further observations on the subject.

SECTION II-B-3

STAFFING

a. Selection Standards and their Use in the Selection Process

Introduction

Selection standards describe the essential and desirable requirements for each classification level in an occupational category. They outline the basic requirements of a level in terms of education, skills, experience, occupational certification, and the factors to be used in rating candidates.

The standards are used in the selection process to determine whether a candidate possesses the required qualifications and to give the selection board members criteria on which to judge the relative merits of all the candidates.

Issues and Criticisms

A number of employees and employee representatives stated that the existing rated requirements -- knowledge, ability, potential for effectiveness, and personal suitability -- were too restrictive and did not necessarily lead to the selection of the most meritorious candidate. They argued

that factors such as seniority and experience should also play a part in selection. Some managers agreed.

Several intervenors affirmed that the standards and the selection process should allow greater flexibility in weighting the various factors according to the specific position being filled. They believed that more meritorious selections could be made if the weighting of the factors was related more directly to the duties of the position, rather than to its occupational group and level.

Employees and their representatives claimed that existing selection standards had been arbitrarily formulated, with little or no attention given to the genuine concern of those to whom the standards had been applied in the past. They would either greatly strengthen the consultation process or make the standards subject to collective bargaining.

Some managers maintained that the determination of selection standards was a management prerogative. Since the law required that selection standards be consistent with classification standards, these intervenors said they were not an appropriate item for collective bargaining. Other managers agreed that employee representatives could make a valuable contribution to the formulation of standards,

but would secure that contribution through a consultative process.

Major criticisms were:

- (a) the rated requirements (knowledge, abilities, potential for effectiveness, and personal suitability) are too restrictive. More specifically, seniority and/or experience should be included among selection criteria;
- (b) the rated requirements do not reflect the actual requirements of the position to be filled;
- (c) rated requirements should vary with the occupational group, the level within that group, and the specific position;
- (d) the weighting of rated requirements is inflexible and does not allow the selection board to assess the relative importance of any given factor among those included in the standard;
- (e) arbitrary standards prevent adequate consideration of recommendations made by employee representatives based on their own practical experience with the standard;

(f) the rating of potential for effectiveness/
personal suitability was too subjective,
giving rise to at least the perception
of manipulation.

A number of questions flow from the representations heard by the committee, including the following:

1. Selection Factors: What requirements (knowledge, ability, potential for effectiveness, seniority, experience, or others) should be rated to ensure the selection of the most qualified candidate?

2. Weighting of Factors: Should the selection factor weighting be contained within the selection standards? If so, with what precision? If not, what general guidelines for determining the weighting should be given to selection boards?

3. Responsibility for Selection Standards: What parties should be involved in formulating selection standards and through what type of mechanism should final decisions be reached?

Question Analysis

1. Selection Factors. Most managers stated that the essential factors of knowledge, abilities, and

personal suitability were sound and adequate, and should continue to be used. They suggested, however, that other factors could be introduced in certain situations. For example, many managers felt that experience and seniority could be used as rated factors in certain trade and occupational groups. Others were strongly opposed to making seniority a factor under any circumstances. Their view was that seniority has no necessary relation to merit and that, in many cases, "twenty years of seniority can be equated to one year's experience repeated twenty times". The use of seniority as a criterion, some felt, would tend to dilute the employee's incentive to excel, and thus lead to mediocrity.

Many employees and most employee representatives, on the other hand, strongly urged that experience and seniority be included as rated factors, especially in the technical, trades, and operational groups. They argued that experience and seniority demonstrated competence and devotion to duty, and were as meritorious as other factors, such as personal suitability or potential. Other intervenors pointed to the difficulty in placing a specific value on a candidate's years of experience.

In no case, however, was seniority proposed as the single determining factor in selection, but as one

factor which should be considered with such others as knowledge and ability.

Employees in the trades stressed the concept that "a plumber is a plumber is a plumber", and that, therefore, further testing and evaluation were not needed. They based their argument on the premise that the apprenticeship and licensing requirements for a journeyman plumber had already established his knowledge, skills, and ability. Managers generally agreed, but noted that neither of these criteria took account of present performance, nor did they identify supervisory potential.

Many intervenors argued that the factor of "potential for effectiveness" was difficult to assess and open to abuse and manipulation. One spokesman summed up their attitude in these words: "Potential for effectiveness means that someone must look into a crystal ball for guidance. That is too inexact a science on which to base one individual's opportunity for promotion. I've discussed this factor with other public servants and the consensus seems to be that, if management wishes to ensure that a person is not selected, this factor is utilized to block the advancement of that person."

Considering the foregoing recommendations and criticisms, do present rating factors provide enough scope to enable the selection of the most meritorious candidate? Should seniority and/or experience be a rated factor? If so, how should they be rated and to which occupational groups should they apply?

2. Weighting of Factors. The current practice of applying the same standards, with essentially the same weighting, to all candidates for all competitions, came under criticism from a number of intervenors. The practice, they said, does not recognize the variety of job functions performed, nor does it encourage optimum selection.

They recommended more flexibility in the weighting of rated requirements, depending on the occupational group of the position to be filled. The mix of required skills and knowledge, they pointed out, varies greatly, depending on the position. The weighting for knowledge might range from 25% to 75% within the same level of different occupational groups, while the weighting for ability would vary inversely. Some felt distinctions should be drawn between a position where there was continual contact with the public and a position where there was none. The weighting for such factors as communication skills and personal

suitability would vary widely in the two cases, they argued.

Employees and bargaining agents agreed with this assessment and insisted that those most qualified to determine the weighting of factors for a given occupational group were the members of the occupational group. Because of their daily experience with the operation of a standard, they said, members of the occupational group were in at least as good a position as management to recommend changes.

They also contended that managers were primarily concerned with the end result and secondarily with the means of achieving it, while the concerns of employee representatives were in reverse order. The bringing together of these concerns, they felt, would result in the adoption of standards with an appropriate balance of effectiveness and equity.

From this premise they argued that the weighting of factors should be arrived at through negotiation between the employer or the PSC and employee representatives, group by group.

Most managers contended that supervisors of positions to be filled were in the best position to determine what

weight should be assigned to essential factors. The weighting of selection factors, they argued, should be governed not only on the requirements of a position, but also on the strengths and weaknesses of individuals on the same work team.

For example, they said, there might be certain weaknesses in some abilities of employees in a given section. The supervisor, needing to strengthen his section in that area, would give more weight to these abilities in filling a vacancy. Intervenors holding these views strongly recommended that the weighting of factors be carried out by the selection board at the time a position was to be filled.

Some expressed concern that the weighting of certain factors could work against employees from minority groups who did not possess the highly-rated qualifications, but possessed others which would render them competent to fill the position. Heavy emphasis on knowledge and education, they pointed out, could affect the chance for advancement of individuals who had ability and experience but lacked the formal education and knowledge.

A number of questions arise from these recommendations and criticisms, including the following:

Can the weighting factors be predetermined in the selection standards? If so, by whom? If not, when should the weight be determined? Should the selection board determine the weight of factors and, if so, within what limits?

3. Responsibility for Selection Standards.

Employee representatives state that selection standards and procedures have significant impact on the careers of employees, who therefore should be able to make a meaningful input into the determination of such standards. This can be achieved in one of two ways -- by consultation or by negotiation.

They do not see consultation as a useful avenue to pursue because, in their experience, it has not resulted in meaningful change of the employer's position. Negotiation, they argue, remains the only means of ensuring employee input in those areas that directly affect them.

Further, they argue, if selection standards and procedures were subject to negotiation, administration of the staffing system would be easier, because employees would be better able to comprehend the principles of selection

once they had been written into collective agreements in language that could be easily understood.

They contend that collective bargaining and the merit principle are not incompatible. The merit system they see as a means toward an end, that end being protection against political influence, patronage, arbitrariness, nepotism, and favouritism. Standards, rules, and procedures are all aimed at achieving this objective. Collective bargaining on these matters would not alter the ultimate objective; rather, it would alter only the means of attaining it.

Managers feared that the negotiation of selection standards and procedures would result in fragmentation of the selection procedure, with each bargaining agent achieving significantly different provisions, which would preclude inter-group movement.

They also contended that employee representatives, acting in fairness to all their members, would negotiate selection procedures which would provide every member with equal access to positions, regardless of their individual merit. If excellence was not rewarded through promotion, the public would then have to accept a level of service and

performance lower than that which would be provided by the application of the merit principle in selections.

Managers were opposed to extending the scope of collective bargaining to the negotiation of selection standards, since they had to be consistent with the classification standards, the establishment of which is a Treasury Board responsibility. They said negotiation would make the selection process more rigid and complex. They also believed negotiation of selection tools was unnecessary because the problem lay in the misapplication of the existing procedures, rather than their inadequacy.

Some intervenors feel that, because the PSC reports to Parliament and is the guardian of the merit principle, the PSC cannot appropriately be a party to negotiations.

Although employee representatives have proposed that selection standards be bargained, the committee has received no recommendations on procedures to be followed, or how a resulting impasse would be resolved. Neither have recommendations been made on the means of negotiating agreements where at least three parties are involved -- the PSC, departments, and employee representatives.

It has been hypothesized that the PSC could act in the role of mediator/arbitrator, supplying expertise, mediating impasses, and, if required, arbitrating disputes. Such a role would allow the PSC to act as guardian of the merit principle by ensuring that selection standards did not erode it.

Should selection standards be made subject to consultation or to collective bargaining? If the latter, what parties should enter into the negotiations and what process of negotiation should be used? If not, what structure can be developed that will recognize the concern of employee representatives?

Conclusion

The staffing system cannot be expected to ensure the selection of the most-qualified candidate in accordance with the merit principle unless selection standards provide an effective base for staffing. A number of criticisms of the current staffing system reflect on the inflexibility of rules governing selection. Flexible standards are needed which will allow managers to select candidates in relation to any given position without abuse of the merit principle.

SECTION II-B-3

STAFFING

b. Access to Competitions and Screening

Introduction

This section of the working paper will discuss the views we have heard concerning the stages of the staffing process following a decision to fill a vacant position through a closed competition (i.e., from within the public service).

The first phase of the staffing process is screening, which includes determination of the field of search for candidates (i.e., the area of competition), conducting the search (i.e., advertising the competition or searching an inventory) and the comparison of candidates' qualifications with the requirements of the position (i.e., screening against basic qualifications).

Action taken during the screening process is of vital interest to managers and employees alike, since it determines management's identification of a range of candidates to be assessed as to their essential qualifications, and equally determines employees' access to career opportunities.

It is through applying for higher positions and achieving success in competitions that public servants'

careers are developed to the point where their capabilities and potential are fully utilized by the public service.

A characteristic of today's competitions is that an employee's eligibility to compete is often restricted by the salary, occupational group and level, and organizational or geographic location of the employee's current position. In the search for candidates there has been an evolution from emphasis on advertising vacancies, through emphasis on identifying candidates from inventories, to the present mixture of the two.

Issues and Criticisms

The views we have heard concerning access to competitions and screening of candidates dealt with questions of eligibility to compete, field of search, and means of identifying and screening candidates.

The first issue, one of the most widely and severely criticized aspects of the staffing process, is the restriction of eligibility to compete on the basis of candidates' salary or occupational group and level. The practice is seen as improperly restrictive in the sense that it limits selection to the best of a small group, and may deny the most meritorious

candidate the chance even to compete.

The legislative obligation to give first consideration to employees for vacancies in the public service suggests that there is a career public service. However, employees feel that the onus is on them to build their own careers. Both employees and managers view the restriction based on candidates' salary or occupational group as a denial of opportunity to those who want to progress, to those trapped in dead-end positions, and to those who need to break out for their own good and for the good of the service. In addition, it was seen as inappropriate in view of employment trends which suggest that increasing numbers of public servants will work in positions for which they are overqualified.

To those who favour such barriers on grounds of the administrative convenience of narrowing the field of candidates, intervenors counter in favour of greater precision in the definition of basic qualifications and their proper application in the screening process. The selection process, they maintain, discriminates far too little among candidates. They consider that loose statements of basic qualifications too often permit less than serious contenders for the position to survive the screening process. They allege that more candidates than necessary are often interviewed in the hope of avoiding appeals.

We have also heard criticism of the lack of relevance between statements of basic qualifications and the position requirements. Intervenors maintain that employees must understand the reasons for the qualifications required. If, for example, there is an educational or experience requirement, they must see it as sufficiently precise and related to the work that they are able to decide whether to apply. Screening boards must, in turn, have a sound basis for their decisions concerning those candidates who should or should not be further assessed.

Restrictions imposed by area-of-competition guidelines on the basis of organizational or geographic location are criticized on different grounds than are restrictions on the basis of salary or occupational group and level. Organizational and geographic location guidelines are seen to have a major restricting influence on managers' access to qualified candidates and employees' access to career opportunities. They are designed to identify a restricted number of candidates, not to identify the best candidates. Managers describe their need to reach a pool of available talent, without conducting successive competitions, which is currently the only route available to reach a wider group of candidates. Employees see area of competition guidelines as favouring employees in larger departments, and in headquarters, where more challenging opportunities are

available. It is possible that, in a given geographic area, the best qualified person cannot be considered because of the limitations imposed by the area of competition. This is seen to work against capable employees in small departments who find themselves in dead-end positions, while other departments are compelled to promote less qualified candidates.

Another issue is the fact that members of the Armed Forces and the Royal Canadian Mounted Police are eligible to compete for public service positions on the same basis as civilian public servants. This issue received widespread attention among organizations whose members work in occupations similar to those of the military or police. Employees resent the circumstances which they believe give uniformed employees advantages in competitions -- the civilian supervisor retired from the military or police who hires his or her former colleagues into his or her organization; the position held open until a uniformed person is ready to leave the force; the training received by members of the Armed Forces and Royal Canadian Mounted Police which is often superior to that received by their civilian counterparts. Employee resentment is strengthened by the lack of reciprocity, in that they are not eligible to compete for uniformed positions.

A further issue of major concern to intervenors was the method employed to identify candidates in the first instance. Many strongly supported the technique of advertising vacancies, stressing the advantage of providing employees with the knowledge of opportunities, and encouraging them to develop and describe their qualifications relevant to the requirements of the jobs. However, our own experience in using the poster distribution system to advertise employee meetings with the special committee confirmed that the poster distribution system does not ensure that employees learn of vacancies in time to apply, if at all.

Criticisms of inventory search focus on problems of employee confidence, as well as on technical barriers. Employees cannot have any assurance that their qualifications are ever considered for any positions. The impression that employees depend on a computer for their career progression is difficult to erase. Vocabulary restrictions, necessary to computerized systems, are seen to restrict managers and employees from comparing position requirements with employee qualifications.

Proposals for improving the process of identifying candidates included support for inventories of pre-qualified candidates, use of inventories to identify eligible candidates whose application would be invited, and greater use of media to advertise vacancies.

On the question of access to competitions and screening, the proportion of employees contacted in the telephone survey who felt their opportunities were restricted under the present system was smaller than among those we met at our hearings. They considered their access restricted on the basis of age, language, sex, and the limited number of competitions available to them.

We consider views on the following questions essential to our further examination of access to competitions and screening:

1. Eligibility, Basic Qualifications, and

Screening: Should eligibility to be considered in competitions continue to be based on the salary or occupational group and level of candidates? What measures can be taken to bring greater precision and relevance to the statements of basic qualifications? What means can be used to strengthen the screening process as an instrument to distinguish between candidates who should and should not be considered in the final selection stage?

2. Field of Search: By what means can area-of-competition guidelines create access to the largest number of potential candidates, within the limitations of a reasonable period of search, while still requiring a reasonable geographic proximity of candidates to the vacant position? Should area-of-competition guidelines be subject to either

consultation or collective bargaining? If bargained, what parties should take part and what means used to reach a final decision?

3. Access to Closed Competitions of RCMP and DND:

Should members of the Armed Forces and the RCMP be eligible to compete in closed competitions?

4. Advertising vs. Inventories: Under what circumstances should employees have the opportunity to apply in competitions rather than being selected through inventory searches? What methods would best make available to them information concerning vacancies? What role should inventories play in the selection process? Where inventories are used in the selection process, should it be obligatory to advise employees when they have been considered? What measures could be introduced to establish and maintain inventories of candidates who have been prequalified for certain positions?

Question Analysis

1. Eligibility, Basic Qualifications, and Screening.

1.1 Salary or Occupational Group and Level Barriers. The practice of restricting eligibility for competition on the basis of the employee's salary or occupational group and level has been widely challenged. The arguments we

have heard suggest that this question cannot be divorced from questions relating to basic qualifications and the screening process. (We recognize that restrictions based on occupational group and level are a function partly of area-of-competition guidelines, which are discussed below in 2, "Field of Search".)

Support for use of salary group and level as a screening measure is based on the very real requirement to limit the number of candidates to be assessed in the final selection process. Some intervenors contend that the salary earned by an employee or an employee's group and level are indications of his or her ability to perform at a certain level of responsibility (a hypothesis with which all agree), and thus constitute reasonable criteria for determining eligibility (a deduction with which many disagree).

Furthermore, it is argued, such boundaries represent the only practical means of narrowing the field of candidates. Proponents of this point of view cite examples of recent competitions where literally thousands of candidates possessed the basic qualifications for a single vacancy.

The Public Service Commission recently issued a

bulletin (78-12), which clearly declares their interpretation of the Act on this question: "An employee's eligibility for appointment by competition or other process of selection shall derive solely from the position to which he or she has been appointed pursuant to the Public Service Employment Act (his or her 'substantive position')."

Most employees deplore as artificial the use of such barriers to determine a candidate's merit. Some charge that they are discriminatory on the grounds of salary. They maintain that the determination of eligibility ought, rather, to be based on whether a person possesses the basic qualifications for the position. They find barriers related to salary level particularly punitive to those who may have taken a position for which they are overqualified. Given projections of continued high unemployment, they predict that increasing numbers of public servants will possess the qualifications for positions at a considerably higher level than those they occupy. To the extent that the practice of determining eligibility on the basis of salary earned is continued, they predict that the public service will increasingly be denied the full value of the abilities of these employees.

1.2 Key Bridging Points. We have seen examples where this practice may restrict qualified candidates from competitions at two key bridging points -- access to senior management positions and access from administrative support to administrative positions. At the first of these points, a recent decision limits eligibility to compete for positions at the Program Manager 6 level and above to members of those groups and levels included in the Data Stream. It is only if no qualified candidates are found in those groups and levels that the Public Service Commission may allow a wider search.

This decision is seen to restrict qualified public servants, who may occupy a position in one of the groups and levels not included in Data Stream, from consideration for more senior management jobs. While the number of employees affected is not large, intervenors considered that the decision illustrates the clear commitment of those responsible for staffing to continue the use of artificial barriers.

The second point where eligibility restrictions are seen by some intervenors as barriers is at entry to the administrative and foreign service category. We heard strong presentations on behalf of members of the administrative support category, particularly women who had acquired many

years of related experience and had increased their academic qualifications, but were blocked from competing for positions in the administrative category. Although there is an increasing proportion of reclassification of employees from administrative support to administrative positions, this does not open opportunities for competition. We heard of organizational structures with a large gap, say between Clerical and Regulatory 3 or 4, and Program Manager 2 or 3. The imposition of a salary or occupational group and level restriction for eligibility in a competition for the Program Manager position effectively precludes the candidacy of the clerk, who may well possess the qualifications required, and may indeed train the new supervisor who wins the competition. Both employees and managers described this situation as particularly prevalent in the regions, and even more so in small departments.

1.3 Further Variations. A further illustration of how such barriers operate was highlighted by several people who had qualified and worked at a given level, and after having accepted a position at a lower level for personal reasons, found themselves ineligible to compete for the position whose duties they had already performed. We heard of similar experiences from persons who had performed in an acting capacity. A variation on the theme was the case made on

behalf of employees who wished to compete for positions at their own or a lower level, for which they possessed the qualifications, in order to take on less onerous responsibilities later in their careers.

1.4 More Rigorous Screening as an Alternative.

Although the practical requirement to limit the number of candidates is recognized, most intervenors have concluded that salary and occupational group and level barriers impose artificial restrictions for the sake of administrative convenience. A strong case was made that candidates should be screened in to competitions only if their qualifications match the precise requirements of the position. If the aim is to identify highly qualified candidates, they argue, then the statement of qualifications must be more relevant, more precise, and more rigorously applied to discriminate among candidates.

Employees have asked for a clearer indication of what knowledge and experience is required, so that they may present their qualifications to be screened against the true requirements. They must understand the reasons for a requirement in terms of the work to be done. We have seen examples of posters which seemed to reflect overemphasis on credentials, such as a requirement for a university

degree in any subject, without an obvious reason, as the only requirement for a supervisory position. Employees have also illustrated their criticisms with examples of posters which give only vague indications of the quality of experience expected of candidates. It is clear to both employees and managers that selection boards for such competitions condemn themselves to a full selection process for candidates who have only marginal qualifications for the position. A vigorous screening of qualifications, including their verification, would result in the investment of time and resources in further assessment of only those who were clearly qualified.

1.5 Questions. We consider it essential that intervenors bring forward further proposals on the following questions:

Should eligibility to be considered in competitions continue to be based on the salary or occupational group and level of candidates' positions?

What measures can be taken to make statements of basic qualifications more precise and relevant?

What means can be found to strengthen the screening process as an instrument to distinguish between candidates who should and should not be considered in the final selection stage?

2. Field of Search.

2.1 Impact of Area-of-Competition Guidelines.

Area-of-competition guidelines now determine whether employees have access to career opportunities along occupational lines (briefly mentioned in the previous discussion of eligibility), along organizational lines, along geographic lines, or across the public service as a whole. Both area-of-competition guidelines and the legislative provision for local preference affect the field of search for candidates. Managers and employees generally agreed that area-of-competition guidelines are designed to identify just enough candidates, rather than the best candidates.

If the only or main concern of the manager is to fill a position with a reasonably qualified person, present practices might be appropriate. But if the manager's concerns should also take account of broader, less selfish interests, then the best interests of the employees and the best interests of the manager's organization would better be served by wider employee access to competitions.

Managers favoured some system which would quickly reach out as widely as necessary to provide a pool which will include at least one potential candidate, particularly where specialized qualifications are required. The current

requirement for successive searches of ever-widening areas of competition until a suitable candidate is found imposes incredible delays and, frequently, severe strains on the organization. Managers would be satisfied with the narrowest possible area of competition likely to produce qualified candidates from as close to the position to be filled as possible.

2.2 Interdepartmental Access. Some intervenors favoured easier access to employees of other departments in the same geographic location. There was support in large cities, particularly Toronto and Montreal, for greater access across the metropolitan area. This would allow managers to reach a larger pool of candidates, and employees to be considered for a wider range of positions than those available in local districts within the metropolitan area.

Present guidelines were criticized because, in catering to the needs of large departments, they restrict the candidacy of employees of smaller departments. For example, the most competent clerk in a town may work in the smallest department but will have no opportunity to be considered for a more senior clerical vacancy in a larger department in the same town. Employees' views on this question tended to reflect the human characteristic of

wanting opportunities open to themselves, but closed to others. For instance, those in large departments favour the present guidelines, while those in small departments favour change.

2.3 Geographic Mobility. In addition to views on the effect of area-of-competition guidelines in a single location, we heard concerns about lack of opportunity to be considered for positions in other geographic locations. There was over-all agreement that all levels of the public service should reflect the Canadian mosaic. We heard support for a requirement that all senior managers should have regional experience. This attitude was tempered by the view that public servants should not be moved from location to location to a greater degree than are employees in the private sector and that, in view of costs involved, geographic moves should be reserved for those with greatest potential.

Regional employees, particularly those at lower levels, consider themselves remote from opportunities in other locations, particularly in headquarters. They feel that Ottawa employees keep the plums for themselves. Regional employees feel that, once in Ottawa, employees are under no compulsion to move, whereas mobility is expected of those in regions as a condition for advancement.

Although these criticisms were partially attributed to the fields of search for competitions, differential costs of living and the usual denial of removal expenses to junior level employees were also regarded as barriers to geographic moves.

Area-of-competition guidelines was one of the questions some intervenors believed should be subject to collective bargaining, although little specific argumentation was provided.

2.4 Questions. The discussion of field of search leads to the following questions:

By what means can area-of-competition guidelines create access to the largest number of potential candidates, within the limitations of a reasonable period of search, while still requiring a reasonable geographic proximity of candidates to the vacant position?

Should area-of-competition guidelines be subject to either consultation or collective bargaining? If bargained, what parties should take part and what means used to reach a final decision?

3. Access of RCMP and DND to Closed Competitions.
Another major issue is that of access of members of the Armed Forces and the Royal Canadian Mounted Police to closed

competitions on the same basis as civilian public servants. Arguments for their inclusion centre on their treatment as a resource of the public service who have received superior training at government expense. Some managers argue that it would be wasteful to ignore these highly qualified people or, indeed, not to encourage them into the public service.

We have heard, on the other hand, strong resentment expressed by employees who consider their prospects for advancement to be reduced by competition for civilian positions from the unusually well-trained members of the Armed Forces and the RCMP. This issue received widespread attention in briefs and hearings, particularly on behalf of employees in occupations common to military or police and civilian employees. We heard allegations that some positions are earmarked for uniformed staff who retire, and that civilian contenders, no matter how competent, are not given serious consideration. Others alleged that former members of the Armed Forces gave preference to members of their former units for positions in the public service.

These representations raise the question of whether members of the Armed Forces and the RCMP should be eligible to compete in closed competitions.

4. Advertising vs. Inventories. A decade of heavy dependence on inventory searches to identify candidates has obviously influenced those who made representation to us. Some intervenors urged a change from reliance on inventory searches to greater reliance on advertising.

Those who favour advertising cite the advantages of considering only persons who are interested in a specific competition, and of screening on the basis of information directly related to the specific requirements. They note that disseminating information concerning the requirements of positions provides one of the few clues for individuals to use as a basis for developing their own abilities to enhance their career opportunities, and for managers in encouraging their staff to develop their potential.

With the present poster distribution system, it is almost impossible to ensure that employees receive knowledge of vacancies. We heard everywhere that posters arrive after the deadline, that they are not always posted, and that they are sometimes removed from bulletin boards. The problem is even more acute in remote areas. We heard of mailing patterns which sent posters from Ottawa to Yellowknife and back through Ottawa to Frobisher Bay. Ships' crew and officers rarely, if ever, see posters.

Our own experience in soliciting submissions and advertising our meetings through the regular poster distribution route was a case in point. Even with two distributions of posters, most employees who appeared at hearings learned of them by word of mouth, rather than through the posters.

Many intervenors urged more effective use of telecommunications to advertise vacancies. Those who were aware of the Public Service Commission plans to send notices by facsimile welcomed this initiative as a step towards resolving the communication problem. Alternative suggestions included frequent publication of journals listing vacancies.

Some managers complained of the need to conduct a full advertising, search, and selection process for each vacant position, without taking into consideration the information available as a result of recent competitions for similar vacancies, which may indicate the most appropriate source of candidates. Small scale, non-computerized inventories were seen as one source of information which managers could quickly search for candidates possessing the required basic qualifications. We heard examples of organizations which had been able to maintain inventories of information concerning candidates who fell within the area of competition for a range of positions. Such an inventory

might cover members of a single occupational group in a sector of a department. Intervenors described two elements as critical to the use of such inventories. First, managers had to be in a position to predict the probable jobs that would be vacant over a specified period. Second, all managers of those jobs had to be involved in the evaluation of candidates, through either a mature appraisal process, or a competition for a group of positions.

Data Stream was criticized by managers and employees for the technical and psychological barriers it creates. The need for consistency in the vocabulary used by candidates and selection boards was the main technical barrier mentioned. We heard concerns because of the employees' impression that their career progression depends on a machine. They also considered themselves deprived because they were not aware of consideration they had received in competitions. Some employees favoured voluntary access to Data Stream, rather than restriction of the system to certain groups and levels.

Some intervenors had proposals for improvement. They included:

- (a) the use of eligible lists and inventories of people pre-qualified for a range of positions;

- (b) small scale inventories which include appraisals and other evaluation of candidates' abilities against specific requirements of positions, to be used to identify candidates for the final stages of the selection process;
- (c) the use of service or department-wide inventories to identify eligible candidates, who would then be invited to apply;
- (d) the greater use of telecommunications, including facsimile, to advertise vacancies;
- (e) the frequent publication of tabloid-style journals of vacancies.

The above discussion leads us to the following questions:

Under what circumstances should employees have the opportunity to apply in competitions rather than to be selected through inventory searches? What methods would best make available to them information concerning vacancies?

What role should inventories play in the selection process? Where inventories are used in the selection process, should it be obligatory to advise

employees when they have been considered?

What measures could be introduced to establish and maintain inventories of candidates who have been pre-qualified for certain positions?

Conclusion

The Canadian public service has high stakes in structuring the processes of identifying and screening candidates. Employees are seeking access to career opportunities which best utilize their abilities. Managers are seeking ready access to a pool of highly qualified candidates. We would welcome further views on means of best accommodating both requirements.

SECTION II-B-3

STAFFING

c. Recruitment

Introduction

Recruitment from outside the public service (i.e., through open competitions) is generally undertaken to fill positions at the entrance level or to recruit people at higher levels when efforts to find qualified candidates from within the public service have failed. Recruitment by open competition is also permitted when the PSC determines that it is in the best interests of the public, such as a requirement for employees in occupational groups that are in short supply in the public service.

The PSC delegates its authority to recruit staff under only two circumstances. Delegation is extended to a department to recruit personnel for a particular occupational group if the department is the prime employer of that group. Canada Employment and Immigration is authorized to act as recruiting agent for positions in the administrative support and operational categories outside the National Capital Region. The number of employees in these categories (some 179,000 in 1977) indicates the magnitude of Canada Employment and Immigration's responsibility in exercising this authority.

Issues and Criticisms

Seen through the eyes of field officers, whose views predominate in this section of our report, recruitment policies and practices are regarded as totally inadequate. Their criticisms of the present system were universally harsh.

They were particularly critical of the rigid policy that requires an in-service search or promotion competition before an open competition can be held. Intervenors said they were frustrated when forced to submit to long -- and, in their opinion, unnecessary -- delays in holding an open competition because of this policy, especially when they knew that no highly qualified applicants could be found within the service. The system, they said, frequently forced on them the acceptance of a barely qualified public servant, or an indifferent performer, when highly qualified candidates were available outside the service. Employee representatives, however, stressed that outside recruitment should not be permitted until the competitive process has found no qualified candidates within the public service.

Although they praised the recruiting performance of specific Canada Employment Centre (CEC) offices,

intervenors nevertheless were critical of the PSC's arrangement which gave Canada Employment and Immigration sole authority to recruit in the two categories mentioned. Managers found fault with what they termed CEC's unresponsiveness or slow reaction time when recruiting help was sought from this source. They felt, too, that the primary goal of CEC recruiting was to get people off the unemployment insurance rolls. Recruiting from among the unemployed, they maintained, did not provide the most competent individuals available. Managers remained convinced that there were better-qualified candidates among men and women already employed, who would be interested in working for the public service if they were only aware of the opportunities. They recommended that managers be given the authority to do their own recruiting, with CEC referrals being included among the candidates.

Numerous cases were cited of problems, created by unreasonable regulations, in obtaining referrals for very short-term work in areas remote from CEC's.

Another recruiting source which came under fire was the PSC inventory, which lists the names of persons who have indicated an interest in public service employment. The names of unsuccessful candidates in other open competitions

are also listed and departments may make appointments from these lists without the need to advertise the vacancy.

A number of managers stated that the required use of the inventory system merely delayed, rather than hastened, the filling of vacancies. The inventories, they claimed, listed either unqualified persons or those who had already found employment elsewhere and were therefore unavailable. The choice of these managers would be to find candidates through advertising.

Major criticisms of recruiting policies and procedures included the following:

- (a) the PSC policy of requiring closed competitions before allowing open competitions, creates unnecessary, and often incredible, delay. This in turn has a serious impact on the functioning of the organization;
- (b) the "closed competition first" policy forces managers to accept marginally qualified or marginally effective employees when highly qualified candidates are available outside the public service;

- (c) PSC inventories, comprised as they are of people seeking jobs, are unlikely to contain many highly qualified candidates. Ambitious men and women don't usually put their names on waiting lists, but keep working at the jobs they have, while looking for an opportunity to advance their careers elsewhere. They would be much more likely to respond to direct advertising of a position that lies within their sphere of interest;
- (d) using CEC's to recruit candidates for administrative support and operational positions does not result in hiring the most qualified candidates available;
- (e) the effectiveness of CEC recruiting is diluted because it tries to serve two purposes, which are often mutually exclusive -- the need to find work for the unemployed and the need to observe the merit principle in referring candidates to the public service. Intervenors felt that the first of these requirements usually had priority, while the second suffered;

- (f) the documentation requirements for casuals on short term appointments are so demanding that the time consumed in completing the necessary documents is sometimes longer than the period of employment;
- (g) the time required for in-service search and closed competitions before an open competition is authorized inflicts unreasonable strains on staff, managers, and operations alike.

The following unanswered questions flow from the representations placed before the committee:

1. Recruitment Policy: What criteria should govern the decision to hold an open competition? What limitations should there be on recruiting from outside the public service? What can be done to enable reasonably rapid recruitment for vacant positions? How many days of delay between a termination of employment and the filling of the position by (a) internal and (b) open competition could be regarded as acceptable?

2. Canada Employment Centres: Are Canada Employment Centres appropriate recruiting agents for the public service in the light of Canada Employment and Immigration's purpose of finding work for the unemployed?

Should other methods of recruitment be available? If so, what should be their nature?

3. Inventories and Advertising: Do inventories of potential recruits facilitate or complicate the selection process? Does the inventory system support departmental needs for qualified candidates? Should persons whose names are on inventory lists be required to qualify through a competitive process? Should managers have the authority to require a recruiting agency (e.g., Canada Employment Centres) to advertise a vacancy? If so, under what circumstances and subject to what controls?

Question Analysis

1. Recruitment Policy. Many managers up to very senior levels presented veritable horror stories to illustrate the reasons for their deep dissatisfaction with delays encountered in recruiting candidates from outside the public service. They felt that those responsible for the staffing system must have no comprehension of the dislocation, strain on staff, and deterioration in the quality of operations and services that the present system creates.

Even when it was evident that no qualified employees existed within the public service, they claimed, they were forced to go through meaningless closed competitions

-- and sometimes more than once as the area of competition was expanded. Some cited cases in which highly qualified candidates outside the service were known and available but, by the time the competitions had been completed, had accepted other employment and were lost to the public service.

The committee was told repeatedly by managers that they and their senior specialists had factual, dependable knowledge of the supply of specialists and their location throughout the public and private sectors, while staffing officers did not. If this is so, it causes one to speculate why staffing officers will not or cannot take the word of departmental officers and insist on going through the process of in-service competition to prove a fact already known.

The question also arises whether it is necessary to prove beyond the shadow of a doubt that there is no potential in-service candidate before proceeding to open competition, and whether the interests of expediting the filling of positions would not be better served by taking a minor risk in going directly to open competition.

Probably the solution most acceptable to all parties would be to have greater expertise available within

the staffing system -- an officer who would maintain continuous contact with the departments, the employee representatives, and the private sector, to keep his knowledge of the supply of potential recruits up to date, especially in the technical and professional categories.

Intervenors from the private sector appeared before the committee to say that federal public service employment practices contributed in a significant way to the poor image of the Canadian public service. They spoke of highly qualified men and women who received no word on the outcome of competitions in which they had been candidates until many months later. Among these were individuals who has been specifically invited to apply.

Many intervenors advocated simultaneous closed and open competitions, which would protect public servants while avoiding long delays in filling positions.

Others suggested that managers be given the option of going to open competition at any time to fill a vacancy. Public service employees would still be able to apply and would, because of their experience, in many cases be better qualified than outside candidates. Supporters of this proposal said it would allow many

more Canadians to have access to employment in the public service.

Employee representatives maintained that, except at pre-determined recruiting levels, closed competitions should always precede open competitions. To do otherwise, they said, would result in poor morale and ineffective staff. They also suggested that any change in the present system could be abused by managers and that some managers would always find candidates from outside more attractive than those from within.

All managers were concerned with finding the most qualified candidate in the shortest possible time. Some reported experiencing delays of up to a year. The head of a small agency cited a case in which he had waited more than a year to fill a vitally important, one-of-a-kind, senior professional position. It was clear from the outset, he said, that few qualified candidates existed in Canada and none in the public service. Nevertheless, a closed competition was made mandatory before authority would be granted for an open competition. After almost a year of waiting, the services of a person with the qualifications required to fill the position were required for vital technical negotiations with provinces. Since the position was vacant, and being one-of-a-kind, no back-up resource

existed. The agency as well as the negotiations were both seriously compromised.

All intervenors who were critical of delays in staffing -- which included almost every manager and many employees -- recognized that a certain time lapse was inevitable. In general, managers felt that a delay of a few weeks between the opening of a vacancy and the establishment of an eligible list through open competition was tolerable and, perhaps, inevitable. Some staffing systems specialists, on the other hand, suggested that delay could not be reduced below a period of several months. There are those who ask how any organization can function effectively against such odds.

A number of intervenors scoffed at the claim that positions in the federal public service are open to all Canadians, describing it as more myth than reality. They maintain that evidence of federal employment opportunities is not visible to them, whether recruitment is in the hands of the PSC or the local CEC. Members of the community, they assert, simply do not know what opportunities are available in local federal offices, or when. Nor are they aware of opportunities elsewhere in the country. They contrast this situation with the highly visible

provincial presence in the community, achieved through frequent eye-catching advertisements in the media, calling attention to employment opportunities in provincial government service.

The following questions flow from the recommendations and criticisms put forward with respect to recruitment policy:

Should closed competitions always precede open competitions? If not, what criteria should be met prior to proceeding with an open competition?

How can recruitment procedures be accelerated to ensure that qualified candidates are not lost to the public service?

What means can be employed to take advantage of credible and expert advice on the supply and demand situation in the technical/professional labour force, so that a decision to advertise in the open market may be taken at the outset?

How long should it take to establish an eligible list through open competition?

2. Canada Employment Centres. While a number of intervenors found some CEC officers highly efficient in staffing positions as the result of the ongoing liaison

they were able to maintain, there was a rather general disenchantment with the system voiced by many others. Some CEC officers claimed that departments were often the authors of their own misfortunes because they did not provide the CEC with the detailed information required for effective selection. During the committee hearings in several localities, long-standing differences were resolved by virtue of our meetings bringing together CEC managers and client department managers.

The lack of consistency in managers' criticisms as the committee moved from city to city was very marked. Many criticisms tended to be unique to a particular CEC, but not to all.

One employee representative charged that qualified candidates, who had been hired on referral from the CEC and later laid off, were not referred back to the department when the same job was re-opened. The intervenor suggested that CEC was referring itinerant, unqualified candidates, while local, qualified candidates remained unemployed. A trade-union local business manager, at the same hearing, agreed with the criticism and added that the use of CEC's had stopped one major user department from maintaining a recall list of qualified employees.

Intervenors in large urban areas complained that only the nearest CEC made referrals and that they did not receive referrals from other CEC's in the same urban area, which were not advised of jobs available in the client departments.

Intervenors in areas remote from a CEC, who sometimes required workers for only two or three days, found the requirement to seek referrals from a CEC neither practical nor efficient. They argued that CEC's could not be expected to have an inventory covering these remote locations and that a manager, from his experience in the area, was in a much better position than the CEC to find candidates quickly.

There was a general conviction that, while departments using Canada Employment and Immigration might be helping to solve unemployment problems, with consequent savings to the unemployment insurance fund, their need to hire qualified and otherwise suitable people were given only secondary consideration.

The committee heard claims, often supported by all or most managers served by a particular CEC, that referrals seemed to be based on one of two concepts.

Sometimes it was last in (to the CEC), first out; in other cases, first in, first out -- that is, the person selected for referral was the one who had been unemployed the longest. In neither case was qualification or merit the prime consideration. A number of managers alleged that some CEC officers made a practice of not referring experienced candidates to the public service unless they had specifically requested such employment, and of steering interested candidates away from the public service.

Managers assert that, even leaving these criticisms apart, they cannot understand how it can be maintained that the PSC is in any way protecting the merit principle in its arrangements with Canada Employment and Immigration.

They were also critical of CECs' responsiveness to their needs, citing examples such as the following:

Certain types of operation require almost immediate hiring when a position becomes vacant (e.g., hospital operations). Managers, who maintain they could meet this need if they had the authority, report that they must wait several days in some cases, because the CEC will not refer fewer than three or five candidates in response to any one request.

In some cases, the CEC is unable to refer any candidates over a considerable period of time because none are available. In desperation, managers have advertised the vacancy themselves, referred applicants to the CEC, which would then refer them back to the department for selection. In at least one case, the CEC refused to make any referrals from among those who responded to the department's advertisement.

Some managers expressed dissatisfaction over difficulties that arise in cases where the geographic area of responsibility of a CEC does not coincide with the area of competition. An example was provided by intervenors representing a 1,000-bed hospital who reported that they are required to use a CEC that covers a suburban and rural part of the city, where the supply of people with the necessary experience is exceedingly small, while the obvious pool of potential employees with experience lies in the metropolitan area contiguous to the hospital.

From the foregoing, the following questions flow:

Are CEC's able to provide referrals to the public service within the merit principle? If so, what steps are required to ensure that service is efficient and effective?

Should other methods of recruiting employees for the administrative support and operational categories be available to managers?

3. Inventories and Advertising. Some managers recommend that a manager be given the flexibility of advertising a vacancy in his local area. Their reasons were that, in many cases, the PSC inventory did not contain candidates who were qualified or who would work in the geographic area where the vacancy existed. Other intervenors said they were completely frustrated by the PSC when it would not allow them to advertise yet would not itself advertise in the area where a candidate could be expected to respond.

These managers were concerned that inventories generally contained the names of marginally qualified, unemployed candidates in major urban centres, while advertising a specific vacancy could attract highly qualified candidates in the area of the vacancy.

The following questions arise:

Are inventories an effective staffing tool?

Should department managers be authorized to advertise vacancies? If so, under what conditions and subject to what controls?

Conclusion

The question of outside recruitment attracted considerable attention, especially from senior managers and first line managers. Present methods of recruitment had little to recommend them, in the eyes of most people. Delays in the system were a cause of particularly severe criticism.

Outside recruitment merits serious consideration because its effectiveness determines the supply of people who, in our relatively closed system, will be tomorrow's most senior managers.

SECTION II-B-3

STAFFING

d. Selection Board Procedures

Introduction

The function of a selection board is to choose from among a number of qualified candidates the one most suitable for the job on the basis of merit.

Issues and Criticisms

In all submissions from employees and employee representatives, this issue attracted an almost continuous barrage of criticism and complaints. It reached the point where its presence could be predicted in any given hearing or brief.

Employees stressed that more attention should be paid to other criteria for selection, such as appraisals and written examinations. They stated that present practice often led to selection of the best-qualified interview participant instead of the best-qualified candidate. Managers and staffing officers tended to accept this criticism, stating that they also were uncomfortable with the practice of selection by interview only.

Employees were also critical of the composition of selection boards, expressing considerable doubt as to the board's impartiality and competence. Managers, on the other hand, said that in their experience, the process of selection had been fair and equitable. With some exceptions, staffing officers tended to agree with the management view.

Managers and employees alike, however, seemed to agree that board members often lacked training in selection techniques. Some representatives of both groups felt that too many board members had insufficient preparation for the task to which they had been assigned and generally received only a short briefing by a staffing officer immediately before starting to interview candidates. Major criticisms of the existing procedure were directed to:

- (a) the selection tools, specifically the method of rating candidates, which was improper or inadequate for the purpose it was intended to serve;
- (b) the fact that the rating of candidates is based solely on the results of an interview;
- (c) the nature of questions asked by selection boards, which neither adequately determine

the qualifications of candidates nor the relative merit of the candidates themselves;

- (d) the selection of board members on the grounds of their availability rather than on their qualifications;
- (e) the fact that board members are not trained in selection procedures and techniques;
- (f) the charge that board members are partial and subjective;
- (g) a selection board's first concern with defence against a possible appeal rather than the merits of the individual candidate.

Respondents to our telephone survey generally voiced the same criticisms. A majority felt that selection should not be based on interviews alone and advocated the use of written tests instead of, or in addition to, the present procedure.

A number of questions flow from these representations, including the following:

1. Selection Tools: What procedures specifically relating to selection methods (interviews, written tests, etc.) should be employed to ensure the selection of the most qualified candidate?

2. Competence: What steps need to be taken to ensure that selection boards are competent to make the critical decisions entrusted to them?

3. Composition: What new means can be employed to ensure that selection boards are impartial and perceived to be impartial?

Question Analysis

1. Selection Tools. The practice of relying entirely on interviews to determine the relative merits of candidates came under strong criticism during the committee hearings. The critics argued that an interview could at best assess only part of the candidate's qualifications, and even then sometimes inadequately. An interview, for instance, could not assess either the candidate's past performance or future potential. Some intervenors asserted that the interview system favours "extroverts and actors".

They also noted that many individuals actually feared appearing before a board because it interfered with

their ability to demonstrate their qualifications.

Many criticized the questions posed to candidates during an interview because, all too often, questions asked did not relate to the job to be performed or did not measure the person's qualifications to perform it capably.

Although there was considerable support for the consideration of past performance by selection boards, the use of appraisals for this purpose was questioned on the grounds that present appraisal practices were unreliable.

Some intervenors supported written tests or examinations as one of the tools to be used, but most of them felt that tests alone could not adequately measure a candidate's qualifications. Some individuals reported that they "froze" when faced with written tests while others said they preferred to demonstrate their abilities through written examinations.

Intervenors recommended using such selection tools as psychological tests, work situation tests, trial work periods, or an appropriate combination of these, to supplement interviews and written tests.

In light of these recommendations and criticisms, the committee would like to hear what steps are required to ensure that the selection tools employed result in selection of the best-qualified candidate.

2. Competence. Managers and employees were concerned that selection board members lacked training in selection techniques and often lacked the competence or expertise to properly assess a candidate's qualifications. Many who had participated in the selection process as board members said they lacked the training in selection techniques which would have allowed them to make effective judgments of relative merit. Employees recommended that more care be taken in selecting board members and urged that those chosen for this task should have, as a minimum, a course in interview techniques.

Managers stated that, in some cases, board members were selected simply because they were available, with little attention paid to the relevance of their experience or their knowledge of the position's requirements. As one put it, "Board members are often casually chosen, as much on a basis of availability as on suitability for the fulfilment of their duties."

The case was also made that board members were often given little or no time to prepare themselves and were supplied with lists of prepared questions, matched with expected answers. Members of the board then divided the questions among themselves, whether or not the person asking the question had any expertise in that area.

In what way can selection board members be appointed, briefed, and trained to ensure that selections are based on the merit principle?

3. Composition. Many intervenors were concerned that the present system permits the use of board members who are biased in favour of certain candidates. They maintained that, especially when staffing authority is delegated, board members were usually from the same work unit as the position to be filled. This fact often led to bias, either for or against candidates already employed in that unit. The bias, they believed, was based not on the employee's past performance, but on the personal relationship that existed between the employee and the board member.

Intervenors holding these views perceived the inequities to be severe. To offset them, they favoured

having all boards chaired by an officer of the PSC and requiring the chairman to select board members from departments other than the one in which the position was located.

Some intervenors suggested that boards should be composed of members from academic circles rather than within the public service. It should be noted that, when questioned about these views, a significant number of intervenors said such a step would do much to make the boards appear impartial. They did not contend that the present system necessarily prevented the most meritorious candidate from being selected.

Managers, on the other hand, insisted that persons closely associated with the position to be filled, such as supervisors and managers, were in the best position to assess the qualifications of candidates. They further argued that supervisors were the only ones who could assess the personal suitability of a candidate, taking into account the personalities already present in the work location. Generally, however, they did not object to having an "outside" expert serve as a board member.

The committee's view is that the perceived impartiality of selection boards is essential to maintenance

of the merit principle. To meet that goal, what actions need to be taken?

Conclusion

The evidence before the committee clearly indicates a widespread distrust of the present selection process, which appears to stem from perceived injustice in its application to at least some candidates. It also demonstrates the vital importance of having qualified and competent individuals on selection boards, with more effective selection tools at their disposal. The committee would therefore welcome additional views and recommendations as to how these deficiencies can best be overcome.

SECTION II-B-3

STAFFING

e. Probation

Introduction

Probation is not defined by legislation or central agency directive. The purpose it is intended to serve, however, may be defined as follows:

"The probationary period provides the supervisor with a reasonable amount of time to determine whether a new employee can perform the duties of the position at an acceptable level and if his or her work habits support the performance of other employees."

Probation is applicable both to initial appointments and appointments or promotions from within the public service. The duration of a probationary period and the required notice period for rejection on probation vary according to the occupational category of the position.

The present staffing manual directs that records be kept to support a rejection decision, but guidelines respecting probation criteria or the process itself do not appear in either the staffing manual or the personnel management manual.

Issues and Criticisms

Intervenors agreed that, in general, probationary periods are necessary to confirm the suitability of employees for the positions to which they have been appointed.

A few employees criticised the way in which employees were advised of poor performance. Too often, they said, the first evidence of dissatisfaction was given to them only at the time they were rejected on probation.

A number of employee representatives contended that probation periods were much too long for some occupational groups, as compared to prevailing practice in the private sector. They also maintained that probationary periods for persons appointed from within the public service should be relaxed since the quality of the employees' performance is already known. The probationary period, they said, should reflect the requirements of the occupational group.

Some employee representatives were opposed to the extension of probationary periods. Managers, however, saw a need for this provision in cases where there had not been an adequate opportunity to assess an employee during the

prescribed probationary period, or where an extension could salvage an employee whose performance was borderline. Managers feared that, unless there was a provision to extend probation to those employees on the line between acceptable and unacceptable, there would be an inclination to reject on probation employees who might prove their competence within a short period of time. This discussion led to the question of what level of performance justifies retention.

A majority of intervenors believed that employees promoted by closed competition should not be released if their work was found unsatisfactory. Rather, they should be entitled to return to their former position or to an equivalent position at the same level. One proposed that this entitlement should be limited to "employees with several years of experience."

Some managers and employee representatives argued that the investment made in employees, such as training and experience, can and must be salvaged. While agreeing on this need, some managers pointed out the difficulty of placing such employees when their former job had been filled and/or the appointment was interdepartmental. The prospect of

creating a new position and allocating a staff-year, they felt, would not be looked upon with favour.

Employee representatives insisted emphatically that redress procedure must be made available to an employee rejected on probation following appointment through a closed competition. Some wanted rejection on probation to be subject to grievance/adjudication. Others wanted it subject to appeal. Most managers, on the other hand, were unwilling to accept the additional delays such a procedure would require, in view of the already lengthy appointment process. They felt the onus should be on the employee to prove competence on the job, rather than on the supervisor to prove incompetence to a third party.

Some employee representatives urged that certain types of appointment, such as those resulting from transfers and layoffs, should be excluded from probationary requirements. Some managers, however, would broaden, rather than restrict, the use of probation. They took the position that there should be a probationary period whenever an employee was appointed to a position with new duties, on the grounds that probation is provided for that specific purpose.

The following questions flow from representations made before the committee:

1. Purpose of Probationary Period: Is the purpose of the probationary period to screen out (a) unqualified, (b) poorly qualified, (c) marginal, or (d) below-average employees? What criteria should a supervisor use to judge a probationary employee? What interaction should take place between the employee and the supervisor during the probation period?

2. Length of Probation: What factors should determine the length of probationary periods and do these factors necessitate specific time limits for each occupational group? Should the duration of a probationary period for appointments from within and from outside the public service differ? If so, why? Should the duration of probationary periods be the subject of either collective bargaining or consultation? If either, which parties should take part in the deliberation and how should final decisions be reached?

3. Extension of Probation: Under what circumstances, if any, should there be provision for extension of the probationary period?

4. Scope of Redress: Should rejection on probation following a closed competition be subject to redress? If so, to which redress mechanism?

5. Appointments Exempt from Probation: Which types of appointment, if any, should be exempt from a probationary period?

Question Analysis

1. Purpose of probation. The committee received very few representations on either the purpose of probation or the process by which it is carried out. Some employees did point out that they had received no counselling during the period and that the probation report, whether negative or positive, came as a surprise.

No central agency guidelines presently exist as to the criteria on which supervisors should rely when judging a probationary employee. The predecessor to the present staffing manual, however, dealt with the procedure as follows:

An appointee has not been given a fair trial on probation unless:

- the basic probationary period for the occupation and level has been sufficiently long to provide a fair trial of the employee's proficiency and adaptability;
- the employee's functions, responsibilities, and authority have been explicitly defined by his supervisor;

- reasonable standards of performance, objectives, or goals have been agreed upon by the appointee and his supervisor;
- the progress of the employee's performance has been systematically reviewed;
- a reasonable effort has been made by the supervisor to coach the employee during the probation period.

The committee invites views as to whether probation should be formally defined and, if so, what the definition should be. No views were put forth at our hearings as to the level of performance an employee should reach during the probationary period and no guidelines were suggested concerning the criteria on which employees should be judged.

Employees separated from the public service in 1977 due to rejection on probation numbered 760. However, no one suggested that there were too many or too few rejections. There seemed to be a general view that rejection was administratively difficult and that managers did not often make use of the procedure for this reason. Should such be the case, it would follow logically that more than 760 employees should have been rejected.

Should probation be defined? If so, what elements should be included in the definition? Against what criteria

should a supervisor rate a probationary employee? What should be the nature of the interaction between the supervisor and the employee during the probationary period?

2. Length of probationary periods. A number of employee representatives commented on the length of probationary periods. Some wanted the probationary period for skilled trades positions to be reduced from the present six months because skilled trades people had already proven their competence by the attainment of licences and their performance was easily rated and monitored.

Managers said in rebuttal that the probationary period deals with a great deal more than the qualifications employees bring to their jobs. They pointed out that this is the period when it must be ascertained whether an employee can use those qualifications to perform the duties of the position and whether his or her performance supports or detracts from that of other employees.

One employee representative cited evidence to the effect that probationary periods in the public service are much longer than those in private firms under collective bargaining. This intervenor suggested that the probationary

period for appointments from outside the public service should not exceed 130 working days and that for employees in the operational and administrative support categories should not exceed 65 working days. He conceded that certain occupational groups (e.g., penitentiary officers) might require initial probationary periods of longer than 130 days, for the benefit and protection of other employees, but asserted that such occupations are exceptions and should be treated as such.

Most employee representatives recommended that the duration of probationary periods for appointments from within the public service should be subject to collective bargaining. This, they felt would be the best way to determine the appropriate probationary period for each group. Some employee representatives also want to bargain probationary periods for initial appointments to the public service.

Managers and some bargaining agents discussed the length of probation in terms of elapsed working days as against actual days on the job. Managers argued that employees should not be confirmed in their positions until they had worked for a prescribed number of days. They said it was nonsensical to expect valid ratings of probationers unless

they were actually on the job. Periods of illness, training, or time away from the position for any other cause, they insisted, must be waived from the probationary period. Probation, they argued, is much too important to be nullified by rules that, in effect, would wipe out part of the probationary period.

Considering the foregoing recommendations and criticisms, what are appropriate durations for probation? Should the probation period for appointments from outside the public service differ from that for appointments from within? Should probation periods vary between groups? Should only days on the job be counted toward completion of the probationary period? Should probationary periods be the subject of either collective bargaining or consultation? Which parties should take part in the deliberations and how should final decisions be reached?

3. Extension of probation. Some employee representatives maintained that there should be no provision for the extension of probation periods. They argued that section 32 (2) of the Public Service Employment Regulations, which gives deputy ministers the power to "extend the probationary period of an employee" is ultra vires of the Act. This is supported by

Ouimet and Public Service Commission, Trial Division Federal Court T762-77 and Federal Court of Appeal A-859-77.

Managers, on the other hand, found that the current policy of not extending probation causes difficulties in cases where the normal probationary period has not allowed an adequate opportunity to assess an employee or where performance had been borderline. Without a provision to extend probation, they felt, borderline cases would no longer receive the benefit of the doubt and would consequently be rejected.

The committee notes that, aside from the strictly legalistic argument, intervenors have not been specific as to why probationary periods should not be extended under any circumstances. The committee would welcome such a discussion. Alternatively, under what circumstances should provisions be made for extension of the probationary period?

4. Scope of redress. Most employee representatives felt strongly that redress must be available to an employee rejected on probation following a closed competition. Some employee representatives want such rejection to be subject to grievance/adjudication on the same basis as termination

of service for cause, and termination for incompetence, incapacity, or discipline. Others want rejection on probation to be appealable.

Before reaching a conclusion on this point, more answers are needed to the obvious questions: Should rejection on probation be subject to redress? If so, which redress mechanism and why?

5. Appointments exempt from probation. Some employee representatives want to exclude certain types of appointment from the probationary period requirement. The appointments specified were:

- (a) lateral transfers,
- (b) reappointments following rejection on probation,
- (c) appointments of incumbents to their own reclassified positions,
- (d) promotions of underfill employees to the level of their positions,
- (e) reappointments of employees who are demoted for incompetence or incapacity,
- (f) reappointment of an employee whose name appears on a layoff list, and
- (g) reappointment of an employee returning from leave of absence.

Those supporting this proposal based their arguments on the premise that probation is not necessary when an employee is to perform duties which are the same as those in a position where he has already served a probationary period.

This definition, they submitted, applied with equal force to lateral transfers and to employees reappointed after rejection on probation. Similarly, employees reappointed to their own reclassified position or promoted from an underfill situation had already survived a period of assessment in that position. Indeed, if they had not met the requirements of the position, the appointment would not have been made.

The same argument, they said, applied to employees demoted for incompetence or incapacity. Since they had clearly been qualified in the positions they left on receiving the promotion, there should be no requirement for further probation if they returned to the positions they had held. In the case of layoff or return from leave of absence, they argued that an employee's work history and record of performance should be sufficient indication of his or her capacity to fill the position previously occupied.

Those opposed to these arguments insisted that the duties in different positions, even at the same level, are never exactly the same and, even if they were, the personalities involved can differ greatly. They also pointed out that an employee's work habits can undergo drastic changes, and therefore probation was necessary. The fact that an employee may have the appropriate qualifications, they said, does not guarantee that performance and personal suitability will be at an acceptable level.

Managers claimed that, if the probationary criteria included the effect that the incumbent's work or attitude had on the performance of other employees in the unit, a probationary period would be necessary in almost every case. They warned that to do away with probation would work against the employees' interests because, without an opportunity to monitor an employee's performance, managers would be unlikely to take a chance when making an appointment.

Conclusion

The subject of probation was not dealt with in any depth by intervenors. The committee hopes that further discussion of questions raised in this area will lead to a

more thorough examination of the problem and further proposals that may help it develop recommendations for a sound and acceptable policy relating to all aspects of probation.

SECTION II-B-3

STAFFING

f. Statutory Priority

Introduction

The Public Service Employment Act gives priority to three groups of candidates for appointment, or consideration for appointment, to positions in the public service. Employees and other eligible persons who fall into the categories described below have priority for appointment over all others in the following order:

1. Leave of Absence

- (a) an employee returning from a leave of absence, whose position is occupied by a person appointed to it for an indeterminate period;
- (b) a person appointed for an indeterminate period to a position previously occupied by an employee on leave of absence if the latter returns to that position.

2. Ministers' Staffs

A person employed in the office of a Minister, of the Leader of the Opposition in the House of Commons, or of the Leader of the Government in the Senate or the Leader of the Opposition in the Senate.

3. Layoff

A person who has been granted layoff status.

The Act also requires that certain groups of candidates in an open competition be accorded priority for appointment. Veterans and veterans' widows, in that order, who are candidates in an open competition must be appointed to positions for which they are qualified, ahead of other qualified candidates.

Since very few criticisms or proposals were raised in regard to leave of absence or ministerial staff statutory priority, a review of these subjects does not appear necessary. They will therefore not be discussed further in this section of the working paper.

Some intervenors dealt briefly with veterans' preference but, in the opinion of the committee, the views expressed do not warrant further study or discussion. Most intervenors supported this provision in principle or because they felt it had little effect on the staffing process. The only recurring recommendation was that veterans and widows of veterans be allowed to exercise this preference only once.

The issue of preference for persons on layoff status attracted much more attention and produced many criticisms and recommendations. The remainder of this paper is therefore devoted to that subject.

Issues and Criticisms

Some employee representatives recommended that the term "layoff" be defined in legislation. In this way, they argued, the abuse of layoff as just another means of dismissal could be curtailed. A number criticized the present length of notice for both surplus and layoff situations. They would have the length of periods of notice vary according to the occupation of the employee involved, and depending on the job market and retraining needs.

A large number of intervenors, mainly employees and employee representatives, recommended that the order of layoff and recall should be by seniority and not by reverse order of merit. They said the reverse order of merit resulted in managers using layoff for the same purpose as dismissal for incompetence and incapacity. Further, when layoffs are made according to reverse order of merit, those laid off are the very ones who would have

the greatest difficulty in finding new employment. The problem would be less severe if layoffs were based on order of seniority.

Many managers disagreed with this viewpoint, saying that any method other than the reverse order of merit would result in the layoff of employees who were among the most qualified of public servants.

Employee representatives generally recommended that layoff provisions should be the subject of collective bargaining. Most managers recommended that they be subject only to consultation.

Four aspects of the problem dealt with by intervenors gave rise to a number of questions on which views were presented to the committee, and which merit further discussion. They were:

1. Definition of Layoff: Should layoff be defined in legislation? If so, how?
2. Order of Layoff: What principles should govern the order of layoff and recall?
3. Layoff Procedures: What notice should employees receive when their positions are to be declared surplus? Should the period of notice vary with the occupational group?

4. Responsibility for Process: Should layoff procedures be subject to collective bargaining or consultation? What parties should take part and what method should be used to reach a final decision?

Question Analysis

1. Definition of Layoff. Employee representatives want the term "layoff" to be defined in the legislation. One suggested that the definition might follow a general framework such as the following:

An indeterminate employee shall be entitled to be placed on layoff status when any of the following situations occur:

- (1) when, as a result of reorganization, a function is discontinued, leading to redundancy of positions;
- (2) when a position is being transferred from the federal jurisdiction to another jurisdiction and the employee does not wish to accept a transfer to the other jurisdiction;
- (3) when a position is transferred outside the employee's headquarters as a result of decentralization or relocation of a department or part of a department and the employee does not wish to relocate outside of his headquarters area.

Some employee representatives specified that layoffs should only be permitted on the grounds of "lack of work" and "discontinuance of a function", and that these terms should also be defined in the Act. In their

opinion, there should be a specific prohibition in the Act against layoffs as a result of "government reorganization". In their experience, some departments "reorganize" by reshuffling duties between employees in a unit and then lay off some employees under the guise of discontinuance of functions while the total function performed by the unit remains the same.

2. Order of Layoff. There was a deep division of opinion between those who would identify employees for layoff by reverse order of merit and those who would do so by seniority.

Most managers took the position that using reverse order of merit ensures that the public service keeps its most qualified employees during times of cutback and restraint. They argued that to identify by seniority could put a manager in the position of placing his most-needed staff on layoff and that they might be lost to the public service in consequence. It was important to ensure that employees left on staff were highly qualified because normally the same amount of work is required to be done by fewer employees.

Employees and employee representatives took the opposite view, claiming that reverse order of merit results

in the laying off of employees who should have been discharged or demoted for incompetence or incapacity. This practice, they charged, makes the layoff list highly suspect and therefore managers with vacancies to fill do not give employees who have been laid off the consideration they deserve. The merit principle, they added, was never intended to find the least meritorious performer but the most meritorious.

To illustrate the difference, they pointed out that members of a selection board, interviewing candidates for promotion, are primarily concerned with selecting the most qualified applicant, so that judgments are generally objective. In the case of layoff, the decision is one that will not have as great an effect on the manager's work unit and is unlikely to be called into account, since no redress is available. Because of these two factors, they argued, the decision can be based on much more subjective criteria than a promotional selection.

Intervenors who support the principle of layoff based on seniority claim that such a system is more equitable to long-service employees and results in laying off employees who are much more acceptable to other managers. They contend that an employee who has long service in a department is

much more set in that department's ways and less able to adapt to a new environment. The short service employee, usually younger and less oriented toward a narrow specialty, is therefore more attractive in the eyes of another department. These intervenors claim that a large part of the private sector has identified layoffs by seniority, with little evidence that efficiency has eroded as a result. They also argue that, because the deputy minister must certify that he finds an employee qualified before giving him or her layoff status, the same deputy should be prepared to retain that employee for reasons of seniority and lay off a less senior employee.

3. Layoff Procedures. Some employees wanted the period of warning of surplus status and the period of notice of layoff to be extended from the current durations of three months and one month, respectively. In view of the present precarious employment situation, they contend that the warning of surplus status should be given 180 days in advance and the notice of layoff increased to 90 days. The longer periods, they said, are necessary to allow an employee to seek other employment.

Some employee representatives also wanted the maximum period of time that a laid-off employee is entitled

to remain on a priority layoff list extended from one year to two.

4. Responsibility for Process. Most bargaining agents advocated that all processes and procedures relating to layoff should be the subject of collective bargaining, although one recommended that they be subject to consultation between the responsible bargaining agents, the Treasury Board, and the PSC.

These intervenors also argued that layoff provisions should be tailored to occupational groups because of differences in mobility and specialization. In some of the more specialized occupational groups, they contend, layoffs must take into account the limited job market and the need for extensive retraining.

Conclusion

Because layoff has been used in the past to get rid of unsatisfactory employees, those placed on layoff lists feel strongly that such action is prejudicial to further appointment. Layoff, they contend, is not viewed as a mark of incompetence in the private sector, but it is in the public service. The special committee would welcome suggestions which would remove this prejudice.

SECTION II-B-3

STAFFING

g. Transfers

Introduction

Numbers of employee representatives demonstrated passionately held views on the alleged unfairness of the transfer system, including the absence of appeal. Most people have acknowledged that a problem exists at least to some degree, which the PSC has recognized, but for which no good solution has been found.

The PSC, the guardian of the PSEA, in its brief to the committee defined the problem in these words:

"The problem to be faced in this area is how to define satisfactorily the various types of transfer and to design principles and practices to govern them that will enhance equity without either adding substantively to the complexity and the time consumed in the staffing system or undermining the ability of managers to manage, either of which would reduce the efficiency and effectiveness of government operations. This issue is going to present a major challenge to you."

The committee is confident that the combined wisdom of those who will respond to this section will be sufficient to the challenge.

Resolution of the problem, however, calls for its careful examination by everyone who has had to live with it. A clear statement of their views is necessary. Such studies must explore in depth the many facets of the situation revealed in this report, taking into account the various reasons for which transfers are made, the degree of change in duties when transfers take place, and the implications of organizational distance.

Issues and Criticisms

It is necessary to understand the views of departments and bargaining agents in tackling this issue. There follows an extract from a departmental policy statement on transfer and an extract from a brief received from an employee representative which comments on the policy. Together they illustrate how two diametrically opposed views can each have considerable substance and why the issue of transfers has been both contentious and intractable.

A - Departmental Policy

"Policy

It is departmental policy that:

- 1) Competitions will normally be restricted to employees seeking promotion; the transfer system will be the usual way of changing to a position at the same or equivalent level.
- 2) Reasons for transfer must be conducive to career development.
- 3) Review of the transfer file is a mandatory step in the staffing process following consideration of statutory and administrative priorities.
- 4) Career counselling, carried out by staffing officers at the centre and in the decentralized units, is an integral part of the system.
- 5) Transfers effected within this system are voluntary.
- 6) The existence of the Transfer System be promulgated within the Department once a year.

Role

The role of the Transfer System is to:

- 1) exempt the Department from the necessity of opening competitions to employees in positions at the same level as the position(s) to be filled;
- 2) provide an inventory of employees to be considered in the staffing process;
- 3) assist employees to broaden their experience and develop their career through job rotation;
- 4) enable management, in consultation with employees, to develop job rotation plans which respond to individual and organization needs;
- 5) publicize the candidacy of employees seeking transfers;

- 6) highlight transfer as a positive career move;
- 7) foster the process of career counselling."

B - Employee Representative Brief

"Transfers

This method of personnel movement, when used by management within our group, has created substantial morale problems. Within our group there are distinct types of work. When an employee moves from one specialty to another at the same level, he has effectively cut off the opportunity for those at the lower level within his new specialty from bidding on the senior position. In many cases of a lateral, there has, in effect, been a selection process held between those who requested a lateral; nevertheless no right to appeal is given to anyone in the group.

Our position has been that if one is in a substantiated position in a specialty or has previously won a specific type of position under the merit system, then a lateral to similar or like positions would be in order. However, all other laterals should be subject to appeal as a minimum, but preferably an actual competition should be held."

The foregoing are not all-encompassing as to the views heard but do highlight what a department sees as a major need and what an employee representative sees as a major difficulty.

Some employee representatives have recommended bargaining of transfer policies. Managers state that they would prefer a consultative process.

Employee representatives of different occupational groups have recommended varied approaches to transfer, ranging from complete freedom of transfer to its abolition.

One intervenor has suggested that the term transfer be defined in legislation. No other intervenor has dealt with definition and the term cannot be defined until there is a full understanding of the subject.

In order to prepare any final recommendations, we require answers to the following questions:

1. Types of Transfer: What types of transfer, if any, should be allowed? If allowed, what restrictions, if any, should be imposed on organizational distance and what differences in duties should be allowed?

2. Scope of Policy: Should there be an overall transfer policy for the public service? If not, what jurisdictional scope should individual policies have, viz, occupational group, department?

3. Responsibility for Transfer Policy: Should transfer policy be the subject of either collective bargaining or consultation? What parties should take part in the deliberations and how should final decisions be reached?

4. Scope of Redress: Should all types or any types of transfer be subject to redress?

5. Definition: Should the term, transfer, be defined in legislation? If so, in what terms?

Question Analysis

1. Types of Transfer. In order to bring structure to this discussion there is a need to consider the various types of transfer that presently take place in the public service. They are:

Compassionate Transfer -- transfer made for medical or family reasons.

Priority Transfer -- the transfer of an employee having statutory priority or of an employee who would eventually have statutory priority if not transferred.

Immobility Transfer -- the transfer of an employee to another position in the same geographical location to avoid relocating as a result of decentralization.

Employee-Requested Transfer -- the transfer of an employee to a different geographical location or a different unit or department for purely personal reasons.

Group- or Occupation-Related Transfer --

the transfer of an employee as a condition of original appointment (i.e., foreign service officers and some postings to isolated posts).

Remedial Transfer -- the transfer of an employee whose performance is below an acceptable level to allow further required development in the employee's present field or the transfer to another field of work where it is anticipated that the employee's qualifications are more appropriate.

Personality Transfer -- the transfer of a qualified employee to another position to resolve an insoluble personality problem in relation to another employee.

Developmental Transfer -- the transfer of a qualified employee to a position for the purpose of broadening the employee's experience to make that employee better qualified for promotion.

Organizational Transfer -- the transfer of an employee to meet changing organizational or occupational requirements.

There are two other variables that affect consideration of transfer policy:

- (a) Difference in duties between the positions.
- (b) Organizational distance of the transfer.

(a) Difference in Duties: This refers to the amount of change in duties from the former position to the new position. In some cases, the duties of the positions are exactly the same, as when a CR3 (pay administration) in one branch of a department transfers to a CR3 (pay administration) position in another branch of the same department.

In other cases, the duties change dramatically even though the level remains the same, e.g., when a CR4 (pay administration) transfers to a CR4 (staffing) position.

At other times, the actual group or level may change, e.g., when an AS transfers to a PM position.

(b) Organizational Distance: This term is used in respect either to the geographical distance or the structural distance between the employee's former position and the new position following transfer. Should a position be open for competition, then the area of competition guidelines apply. However, there is no restriction on transfer and therefore an employee could transfer to a position outside his normal area of competition, be that area geographic or structural. As an example, an AS4 in Winnipeg could transfer to Halifax. The position in Halifax would have been open to competition for AS3's in the Maritimes, the vacancy in Winnipeg would be open to AS3's in the Prairie Provinces. Some employees and employee representatives have strong objections to this type of

transfer because the opportunity for advancement of AS3's in the Maritimes has been prejudicially affected.

What follow are the criticisms and recommendations we have heard in this area:

Some employees and employee representatives criticize the use of transfer when it can be perceived to circumvent the merit principle. They feel that a great number of transfers take place which negate the normal competitive process and prejudicially affect the advancement of other employees. It can be hypothesized that these intervenors might agree with compassionate transfers, priority transfers, immobility transfers, and group- or occupation-related transfers but would argue that other types of transfer should be subject to the competitive process. Most managers would argue that this step would seriously limit effective and efficient staffing. It may be that agreement could be reached on employee-requested transfers, personality transfers, and organizational transfers, where the transfer takes place within the normal area of competition and the duties of the two positions are identical.

Employees and employee representatives allege that the present transfer policies are subject to abuse. For

example:

Remedial transfers are made to place an unqualified employee in a less visible position instead of being used to give a qualified employee needed experience.

Organizational transfers are given to favoured employees to enhance their careers instead of being made to react to changing organizational needs.

Managers argue the need for remedial, personality, and organizational transfers to provide effective and efficient service. Such transfers, they state, meet the needs of employees as well as the needs of the service.

Transfers which involve a change in duties are the most highly criticized. Few problems are found where the transfer places an employee in a position for which he has qualified within the merit principle in the past. Where a change in duties takes place these intervenors argue that the employee involved has not qualified for the new position and therefore the appointment is not made in accordance with the merit principle.

Considering the foregoing, what types of transfer, if any, should be allowed? What organizational distance should be permitted and what differences in duties are acceptable?

2. Scope of Policy. One intervenor has recommended a transfer policy which would centre on agreement between a department and employee representatives. These parties would agree on clusters of positions with like duties. Transfers between positions in a cluster would not constitute an appointment for the purpose of redress.

There was no consistency in employee representatives' briefs on transfers. Certain employee representatives would support a transfer policy only where redress is available and would prefer a competition to fill vacant positions in almost all cases. Other employee representatives support a transfer system which does not have a redress right.

It is clearly evident that one transfer policy for all departments and occupational groups would not meet the concerns of employee representatives nor those of managers.

It is also questionable whether individual department transfer policies would meet the needs of employee representatives and employees. There was concern by intervenors, especially employees from small departments, that transfer policies in major user departments prejudiced their opportunity for advancement.

In the large departments, all employees may be content with a given transfer policy. This policy may allow transfer over a large organizational distance but, because of the number of opportunities within that occupational group in that department, few employees see the transfer as a problem. Therefore the CR4 in a large department could transfer from the National Capital Region to London, Ontario. In London, there may be very few, if any, other CR4 positions and employees in other smaller departments in London see the transfer as blocking any hope they may have of promotion.

Should transfer policies be drawn up along departmental lines or occupational group lines? Are there clusters of positions in each occupational group where transfer could be made without redress rights? How can these clusters be identified?

3. Responsibility for Transfer Policy. At the present time there is an overall PSC transfer policy and a number of departments have transfer policies for their own jurisdiction. Some of these policies have been arrived at in consultation with employee representatives and others unilaterally.

Some employee representatives recommend that transfer policy be subject to collective bargaining so that the policy would not only recognize the needs of employees and managers but would also reflect the varying concerns of different bargaining units. These intervenors spoke only generally on transfer and did not distinguish between different types of transfer that take place.

Managers who made recommendations on transfers would have the policies subject to consultation but not to collective bargaining. Managers also argued that policies on certain types of transfers, i.e., remedial, personality, developmental, and organizational were necessarily in the area of management discretion and not appropriate for collective bargaining.

Should transfer policies be subject to consultation or collective bargaining? If so, what types of transfers should be included? If policies should be bargained, what parties should take part and what means used to reach a final decision?

4. Scope of Redress. The criticisms and recommendations in this area have been fully covered under "Redress". It should be sufficient to state that,

generally, employees and employee representatives feel that redress rights should be available for all transfers while managers would accept redress only for certain types of transfers. Managers, however, generally did not favour this step.

Until a short time ago, the PSC, by regulation, did not allow the right of appeal on transfer. However, in the federal court of appeal case A-789-77, Yergeau and the Public Service Commission, the reasons for judgment by Justice J. Pratte has placed the PSC in the position of allowing appeal rights in some cases of transfer. Justice Pratte stated in page 5 of that decision: "Under S21(b) of the Act, the applicant had a right to lodge an appeal unless, 'In the opinion of the Commission', his opportunity for advancement had not been prejudicially affected by Belinge's appointment. The appeal board assumed that Section 41(3)(a) of the regulations was equivalent to such an opinion from the Commission, and this is where it erred. In my view, the opinion to which Section 21 refers is one that must be formulated by the Commission (or by the public servants to whom it assigned this task) in each individual case, with due regard for all the circumstances of the case. We must therefore conclude that the board erred in law in deciding that applicant was not entitled to appeal."

This decision has resulted in the PSC reviewing whether an employee's opportunity for advancement has been prejudicially affected by a transfer in every case where an employee requests the PSC to do so.

What types of transfers should be subject to redress? Should organizational distance and differences in duties be considered before granting redress?

5. Definition. One intervenor recommended transfer be defined as follows:

"The movement of an employee from one position to

- (a) another position at the same level in the same occupational group, or
- (b) another position and a different occupational group determined by the Public Service Commission to constitute a transfer."

Some intervenors recommend that transfer definition should allow certain types of transfer without appointment action. These views from both managers and employees argue that the transfer of an employee from one position to another position with the same duties should not be subject

to the PSEA, but to management discretion. Other intervenors feel that such a system would be subject to abuse, in that transfers would be made to positions which do not contain exactly the same duties.

What types of personnel actions which are generally seen as transfers require definition in legislation and what types should be free of legislative restraint?

Conclusion

In considering transfer, it is necessary to weigh at least four areas of concern.

A. The management concern -- managers see transfers as an effective and efficient staffing process. They see it as a process that can be used to quickly fill a vacancy with a willing and qualified employee. They also use the system to motivate employees and enable them to reach desired organization or geographic locations.

B. Employee transferred -- the employee being transferred is generally pleased with the result, as it either furthers the employee's

career, gives the employee duties which he desires, or places the employee in a desired geographic location.

- C. Employees not transferred -- these employees can be distressed by at least two factors:
 - (1) an employee is transferred into a position to which others aspired;
 - (2) an employee is given a transfer from their work unit and they do not see that they were given equal consideration, although equally qualified.

- D. Employee representatives -- are concerned that all their members have equal access to positions for which they are qualified, that one department does not have transfer policies which prevent career progression of employees in another department, and that inequity is subject to redress.

The foregoing discussion on transfer policy and the use of the transfer mechanism reflects reasonably well, we believe, the general position and expressed views of intervenors. We look forward to -- in fact, we have a

great need for -- further information based on some rather intensive study of the questions we have posed.

The views of managers and employee representatives on the questions of appropriate transfer policy and best practice seem far apart. The committee believes it has a good understanding of the positions taken by both parties. Therefore, further deliberations would be greatly assisted if, in addition to providing information in response to our questions, managers and employee representatives would propose some line of remedy for each other's problems.

SECTION II-B-3

STAFFING

h. Term Appointments

Introduction

The PSEA defines term appointment as "an appointment for a specified period" and adds that "an employee who is appointed for a specified period ceases to be an employee at the expiration of that period." Term employees enjoy all rights under the PSEA except the right to layoff provisions.

However, although the definition suggests that term employees are hired to perform a specific function within a specified time period, this is not spelled out in either the staffing manual or the personnel management manual.

The magnitude of the issue is seen in the fact that more than 40,000 employees were appointed to term positions in the public service in 1977. This figure compares to some 89,000 appointed to indeterminate positions. Term appointments constituted 31% of all

appointments of more than six months' duration in that year, compared to 20% in 1976.

Issues and Criticisms

The major criticism of current practices in the use of term employee provisions, mainly voiced by employees and employee representatives, was that some employees are hired into new term positions on the assurance that, if they prove suitable, the position will be changed to indeterminate. Although the right of appeal is extended when a term employee is appointed to the indeterminate position, there is little likelihood that an appeal can succeed because the term employee has been trained in the position.

In these cases, intervenors charged, the term appointment is simply a prolonged probationary period, or else it is used to train a chosen person for the position prior to holding a competition. When a term employee is successful in the competition, there may be no doubt that he or she is the best qualified candidate, but such an appointee is seen to have an unfair advantage.

Intervenors also claim that some term employees have their terms extended over and over again, to the point where many of them today have from five to twenty years of service, and yet do not have the same rights as indeterminate employees with considerably less service.

Managers did not dispute these claims during committee hearings and agreed that many of the criticisms were valid. They argued, however, that there are many occasions when the use of term employees is the only practical solution when it is known in advance that the requirement will be of limited duration. They saw nothing inequitable in the practice, arguing that term employees accepted positions with full knowledge of the terms and conditions of their employment. In the view of these intervenors, the time limit of the term appointment should be the life span of the project, not some arbitrary time limit.

All employee representatives disagreed with the present policy, which allows term employees to compete in closed competitions. Such a policy, they said, discriminated against indeterminate employees in closed

competitions and against the general public in cases where an open competition would have been held if no employee qualified from within the public service.

A great many intervenors argued that the use of long-term "term" employees amounted, in fact, to a circumvention of layoff rights.

A number of specific recommendations were placed before the committee, including two quite different proposals as to the number and definitions of types of appointment that should be created. For this reason, they are listed first in the following list of major recommendations:

1. That there be four types of appointment:
 - (i) Indeterminate (including part-time or seasonal)
 - (ii) Temporary up to four weeks, non-renewable
 - (iii) Specified term up to six months, non-renewable
 - (iv) conditional
2. That there be three types of appointment:
 - (i) Temporary, up to six months, non-renewable

- (ii) Term, renewable, not exceeding a prescribed over-all duration
- (iii) Indeterminate (including part-time and seasonal)

3. Term employees should be defined as persons hired for a specific job, which is not of a continuing nature, and for a period not to exceed three months.
4. Term employees should not have the right to bid on closed competitions.

No rationale was given for the specific time periods shown in the above recommendations.

The following questions flow from the representations heard:

1. Types of Appointment: What categories or types of appointment should be defined to allow for reasonable flexibility in hiring for non-continuing requirements and yet be equitable to those hired and to those occupying indeterminate appointments?
2. Competitions: Should term employees have the right to bid on closed competitions? If so, what rationale can be given to meet the criticisms of indeterminate employees?

Questions Analysis

1. Types of Appointment. Many intervenors have suggested that term employees should be hired for only very short periods, ranging from two to six months. Some managers argued that projects of a non-continuous nature can last as long as five years and that term employment is a reasonable means of meeting the need for employees.

One intervenor suggested that indeterminate employees should be hired for projects expected to last longer than six months, and then given layoff status. This would prevent the present discrimination between the indeterminate employee with three years' service, who is granted layoff status when his function becomes redundant and the three-year term employee, whose employment is terminated without layoff rights when his function is completed. Placing the term employee on the layoff list, the intervenor submitted, would enable other managers to use the skills, abilities, and experience the term employee had gathered during his or her years of employment in the public service.

Others recommended that indeterminate employees be given the opportunity to fill term positions in an

acting capacity. In this way, the rich experience which can be acquired in some term positions would not be lost. Meanwhile, the vacant indeterminate position could be filled by a term employee. Some managers did not feel that this was an effective or efficient means of staffing.

A number of intervenors said that, if term employees were hired for a limited period with no rights to compete in closed competitions and no layoff rights, the hiring of such employees could be done much more simply and therefore more quickly. Because the employee could not become an indeterminate employee without reference to a further selection process, they argued, the selection board could be less concerned with the candidate's long-term qualifications and value to the service. Such a system, it was suggested, would be able to respond much more quickly to management's urgent short-term needs.

The recommendations give rise to the following questions:

How many types of appointment (term, indeterminate, temporary, etc.) should be defined in legislation?

What duration of employment should these definitions cover?

Should term appointments be held to a limited time period or to the duration of the project?

Should the staffing system allow indeterminate employees easy access to term appointments in an acting capacity?

2. Competition. Many intervenors criticized the right of term employees to enter closed competitions, arguing that the merit system was thus being circumvented. In many cases, they said, the term employee was being trained for the position under competition while filling the term vacancy. The procedure discriminated against indeterminate employees because, in effect, the term period amounted to nothing more than the first of two probationary periods. Some managers felt they were forced into this practice because of what they perceived as the onerous nature of requirements applying to rejection on probation.

Some intervenors made the case that, if an open competition were held, more highly qualified candidates would likely compete because of the greater security in an indeterminate appointment.

The nature of the issue poses the question that has not yet been answered: What type of employee should have the right to compete in closed competitions?

Conclusion

Precise definitions of the different types of employment available in the public service should enhance the effectiveness of staffing. Our further deliberations will be greatly assisted by detailed analyses of the problems raised in this section.

APPRAISALIntroduction

The right of employees to have their performance on the job formally appraised at least once a year is an established tenet of good personnel management. A valuable function of such an annual assessment is the opportunity it provides managers to review each employee's progress, or lack of it, in a discussion based on the content of the appraisal report. This process, when used in addition to the ongoing dialogue on performance between employee and supervisor, serves the following purposes:

- (a) it enables employees to assess their own performance in relation to goal achievement;
- (b) it establishes productive communication between the employee and supervisor;
- (c) it creates a written record of past performance;
- (d) it identifies training and development needs;
- (e) it gives employees an opportunity to improve performance in their present jobs;

- (f) it identifies employee career aspirations;
- (g) it measures the employee's potential for promotion.

Issues and Criticisms

All intervenors agreed that a sound, effective system of appraisal was needed in the public service. Some of the appraisals placed in evidence, however, showed a complete lack of understanding of the purpose such a system should serve.

Many employees reported either that appraisals were not being made or that, if they were, managers did not discuss the results with them. All agreed that this type of communication was essential if any benefits were to be derived from the procedure.

Managers who had tried to use appraisal reports as selection tools complained that there was no consistency in appraisals from department to department, which made them useless for this purpose. They also claimed that there was generally no recognition of the need to maintain

a good appraisal system. And there was almost unanimous agreement that the selection process should attach a great deal of weight to past performance.

With notable exceptions, intervenors viewed the present appraisal system as inconsistent, unreliable, and subject to abuse. Major criticisms were:

- (a) some employees are not being appraised;
- (b) there was no meaningful discussion between manager and employee on the result of the appraisal;
- (c) managers did not understand the value of effective appraisals to the organization and to its employees;
- (d) there was no central policy or guideline concerning appraisal systems;
- (e) appraisal policies varied from department to department;
- (f) completion of appraisals was too often viewed as a meaningless paper exercise;
- (g) evaluations are positively or negatively weighted, depending on whether the manager wishes to retain or lose the employee being appraised;

- (h) managers lack the competence or self-confidence to execute appraisals objectively;
- (i) supervisors are not held accountable for the quality of their appraisals;
- (j) employees are sometimes appraised by supervisors who are not in first hand contact with their work.

Some of the recommendations made by intervenors were that:

- (a) appraisals should always be used as a selection tool;
- (b) appraisal reports should be used as selection tools only if they can be made much more reliable, consistent, and objective;
- (c) a central appraisal policy be issued, setting forth the purposes of a comprehensive appraisal system and the uses to be made of the information so gathered;
- (d) a training program be launched to ensure that all those who must appraise staff are competent to do so;

(e) different appraisal criteria are needed for different groups of employees, because of substantial differences in the nature of the work performed.

The results of the telephone survey were fully consistent with these criticisms and recommendations. One employee noted that he had not been appraised for seven years. A large number of those sampled were dissatisfied with the system of performance appraisal and its application.

The following questions flow from the representations made before the committee:

1. Commitment: What actions need to be taken to bring about overall commitment to an effective appraisal system?

2. Consistency: Can appraisal procedures be devised which would produce reports from different managers and different organizations that are sufficiently consistent and objective to be used in the competition process? What steps need to be taken to make them so?

3. Accountability: In what ways can managers be held responsible for their appraisal practices?

Question Analysis

1. *Commitment.* The lack of commitment to the principles of a sound appraisal system and recognition of the benefits that can be derived from its use were underscored by the comments and criticisms of intervenors. The consensus of their views was that, because there was no clear requirement as to the use of appraisal information, persons who write appraisals tend to view them as a meaningless, time-wasting exercise.

Some employees said they were aware of abuses in the present system. They were concerned that appraisals were sometimes used to get rid of employees whose views differed from those of the appraiser. They also believed that appraisals were often too subjective, reflecting only what the manager thought of the employee, not how the employee performed nor what had been accomplished.

Managers also agreed that the appraisal system was being abused and that appraisals were sometimes manipulated, depending on whether the appraiser wished to retain or lose the employee being rated. One manager said he had been "burnt" twice when he selected candidates based on their

appraisals which showed them as high performers when, in fact, they were incompetent. Other managers said that appraisals tended to be general and non-committal because appraisers did not wish to alienate employees. The result was that all employees were rated as "average".

Managers and employees alike expressed concern that appraisers were not competent to conduct appraisals because they lacked training in the assessment of performance and in discussing the evaluation with the employee.

The committee heard and saw evidence of effective appraisal systems. The appraisals by some deputy ministers of their immediate subordinates provided excellent examples. In these cases, the resulting record was more than a mere rating, but rather the evaluation of performance in relation to previously negotiated goals. The appraisal was followed by a frank discussion of its content between the appraised and the appraiser. The essential element in such examples is a commitment by both parties to the worth of the system and to the end product.

Appraisal thus becomes, according to those who discussed it with us, a positive, productive exercise. These are the qualities that seem to elude a majority of

appraisals in a substantial part of the public service. The fact that both good and bad examples of appraisal procedure exist suggests that further consideration is needed as to steps that may be taken to develop commitment to effective performance evaluation.

2. Consistency. Consideration is also required as to whether and how an appraisal system can be put in place which would allow valid comparison of one employee's performance with that of another, whether or not they serve in the same work place, branch, or department.

Most intervenors were concerned that the lack of an overall policy on appraisals has resulted in departments establishing their own policies, thus creating inconsistencies. Intervenors felt that, as a result of the wide variety of policies, appraisal reports were an unreliable tool in the selection process.

Evidence presented to the committee showed not only that departments use different forms and methods of appraisal, but that there are no standard criteria for rating individual occupational groups. Thus the appraisal of a clerk, a technician, a professional, or a senior manager may be judged on a single set of factors in any

given department. A move to another department could result in the employee being judged on totally different criteria.

Questions arising from discussion of this facet of the problem are:

Should appraisal procedures and forms be consistent for each occupational group?

Is the goal of consistency worth pursuing? If so, how can it be attained?

3. Accountability. Employees generally felt that managers would improve their performance as appraisers if they were held accountable for the results. There was evidence that a real effort was being made in some areas of government to monitor appraisals and appraisers so that deficiencies might be corrected. The committee invites consideration as to whether a system of "rating the raters" might improve the present situation.

Conclusion

All intervenors saw a good, workable, appraisal system as an absolute necessity. The criticisms of current practices were consistent with this view. The question

that must be answered is whether the present system can be made effective through greater emphasis on commitment, consistency, and accountability and through the development of other methods of appraisal. Some intervenors have suggested such models as peer assessment and subordinate assessment of supervisors and managers. The committee would welcome views on these suggestions, on other methods of appraisal, or on a combination of several models of assessment.

TRAINING AND DEVELOPMENTIntroduction

The capacity of an organization to achieve its objectives depends on the competence of its members. Knowledge, skills, and abilities essential to the satisfactory performance of a job that are not adequately nurtured soon fall behind the requirements of the job, resulting in diminished productivity and effectiveness. Prudent managers do not think twice about the necessity to provide funds to keep vehicles and other equipment in good working order. There are managers, however, who neglect their equipment, and when they have run it into the ground, discard it for a newer model. There is a parallel in the neglect of one's investment in staff. In this section, we look at the practices employed to ensure the ongoing competence of employees; that is, training and development.

Responsibility for this vital activity is divided between Treasury Board, the PSC, and departments. The first has responsibility for overall policy direction, the second for central training assistance, while departments meet the costs of training -- and they plan, develop, and implement programs tailored to their own particular requirements.

The scale of training in the public service is substantial: TBS reports that, in 1977-78, 137,642 employees received training, mainly through departmental courses, at a cost of \$91,357,378. This means that about 47.25% of public servants received some degree of training through the investment of 2.17% of the total salary budget.

Issues and Criticisms

With few exceptions, managers and employees believe that public servants are not receiving the basic training necessary to the performance of their duties. Training and development, they believe, are being treated as fringe benefits, subject to almost automatic removal or reduction at the first sign of the need to reduce spending to avoid an over-expenditure in an annual appropriation.

Central training is considered very costly. Costs can become prohibitive for staff in regions when travel and accommodation costs during training are added. Intervenors feel that more use should be made of educational resources available in the communities where public servants are employed. By overlooking such sources as community colleges and vocational schools, management is, in effect, discriminating against some employees. Opportunity for

training too often depends on the region in which employees are located, the occupations in which they are engaged, and the department for which they work.

Existing training programs, some intervenors claim, often provide a relatively small number of employees with special help to qualify for competitions and the system is open to abuse as an instrument of managerial favouritism.

A graphic illustration of these concerns is the case of a technician who was assigned to the operation of a new piece of electronics equipment worth many times his annual salary. He was denied training in its operation. After three years of trial and error, at the cost of frequent malfunctioning due to his ignorance of the equipment, he finally mastered its operation. However, his was a rapidly developing technology, and the machine had to be replaced with even more sophisticated equipment. Management not only did not offer but denied his request to take the manufacturer's course on the machine's operation because they had denied a scientist's request to attend a conference in the United States.

The allegations of training deficiencies were not, of course, confined to the employee group. There were

indications that organizations suffer from the denial of training and development for managers even more than from its denial for other public servants. Managers and employees, especially those in regional offices, were harshly critical of decisions which place ill-equipped managers in positions of responsibility without the training necessary to do their jobs. Employees therefore frequently pity rather than blame their managers for their shortcomings in managing people.

The survey results reinforced the criticisms offered by intervenors at committee hearings. Employees' desire to compete for developmental opportunities to equip themselves for advancement was particularly widespread. The survey confirmed, that technical employees, in fields where the public service is the only employer, and who received all their training through the public service, were satisfied with their training.

The views expressed to the committee suggest a number of questions that need further consideration, among them being:

1. Types of Training: What types of training should be available to public servants?
2. Requirements: What considerations should determine the requirement for an organization to provide training and development? Should there be a minimum requirement for training to be provided?

3. Training Sources: What reasons should influence the selection from among the various sources for public service training? Under what circumstances should training be provided (a) by the PSC? (b) by departments? (c) from outside sources?

4. Collective Bargaining: What are the responsibilities and rights of management and employees with respect to training and development? What mechanisms would best accommodate the interests of both?

5. Selection: Should employees have the right to compete for training and development? If so, to what types of training should competition apply? What factors should be used to evaluate candidates seeking access to training and development opportunities?

Question Analysis

1. Types of Training. Intervenors and survey respondents drew no sharp distinctions between the types of training and their purposes, other than the traditional definitions of training (experiences designed to improve an employee's performance) and development (experiences designed to prepare an employee for future responsibilities).

The committee considers that further examination would be simplified if there were more precise definitions

of the types of training. Policies could then vary according to the nature and purpose of the training. We would welcome examination of the following definitions, to determine their applicability to public service requirements:

Prerequisite Training -- the training which one must complete successfully to qualify at any given level.

Remedial Training -- training given to employees whose performances are unsatisfactory, to allow them to continue in their present positions or in other positions for which their qualifications may be better suited.

Job-Related Training -- training required of employees to ensure that they are able to perform their present function at an acceptable level. (This would include orientation and coaching during the probationary period, training to enrich knowledge or abilities related to the job, training related to organizational or operational changes, and safety training.)

State-of-the-art Training -- training given to ensure that an employee remains abreast of changing technology.

Re-Training -- training to help redundant employees acquire skills for a different position.

Development Training -- training given to employees to prepare them for future promotions, whether related to a specific position or to an ultimate career objective.

Some intervenors have argued for a policy framework that would recognize and accommodate the variety of organizational and occupational conditions across the public service. This policy framework, if based on universally accepted definitions, as proposed above, should provide a rationale for organizations to consider a combination of factors which affect the organization's training requirements. It can be seen that this provides a new dimension wherein the same training subject could be directed to meet different purposes, as illustrated by the following example of supervisory training.

Completion of a specific supervisory course could be a prerequisite for qualification in a certain position. It could be remedial for a supervisor whose performance was not satisfactory. It could be job-related for supervisors as individuals or as members of a management team. It could serve the purpose of re-training a redundant employee to fill a supervisory position. And the same course could be developmental for those who aspire to supervisory or management careers.

The establishment of clearly defined categories seems essential to a consideration of views on other training-related questions, such as those of competitive

access to training and redress for training selection decisions.

2. Requirements. Intervenors who have made proposals to the committee on the kinds of training and development that should be available to public servants generally were mindful of the financial considerations inherent in any related managerial decision. However, they have cited and deplored the case of managers who consider training as a fringe benefit and therefore, the first expense to be eliminated when spending must be restrained.

Such an attitude, they have maintained, undermines the position of managers who recognize training as a necessary cost of doing business. Looking at the other side of the coin, they argue that management must look at the cost of not training staff. The cost is the deadwood that piles up as a result, the incompetent service provided by inadequately trained staff, the loss of previous investment in recruiting employees, and the discouragement of employees who are denied the opportunity to develop their potential. To this must be added the high cost to the taxpayer of the money previously invested in what is now deadwood and the cost of maintaining on the payroll long service, unproductive

employees. These intervenors argue for a compulsory minimum amount of training to be given a priority at least equal to other basic operating costs.

The committee has been told of incidents where lack of funds has served as an excuse for not considering even low-cost means of providing training in essential skills. Some managers have cited examples of misspent training funds, of employees sent on training for reasons not apparent to the employees, or of employees being trained in skills which bore no relevance to the requirements of their work.

We are persuaded that, with or without increased training funds, better conceived and directed training activity can provide essential training to a much larger number of public servants than is being reached under present circumstances.

Intervenors have warned against a simplistic approach to the question of training requirements; that it must not be viewed solely in the context of training an individual, but also in a broader context of organizational considerations which then may raise judgmental questions

of balance in expenditures between the two. The following three commentaries expand on this issue:

(a) Intervenors have pointed out that the need for improved individual or organizational performance should provide the impetus for training and that the training must be chosen or developed to meet the specific need. A subsequent evaluation of the value received for training dollars spent must be based on the extent to which the training did, in fact, contribute to the achievement of the required improvement in individual or organizational performance.

(b) Managers urge an approach to training requirements that takes into account organizational and operational needs. The introduction of new processes may require one kind of training program; the reduction of programs quite another. Decentralization, reorganization and the need to acquire professional competence in skills necessary to the development of long-range plans all trigger training needs that previously did not exist.

(c) Some managers stress the need for determining individual training requirements flexibly enough to allocate training so as to build an organization made up of the

necessary mix of abilities among members of its workforce. This view is not necessarily compatible with the argument which centres on training each worker to the level of competence matching precisely the terms of the job description.

This discussion leads naturally to the question of what considerations should determine the training and development requirements of an organization and whether there should be guidelines concerning the provision of at least a minimum amount of training where a clear need is identifiable.

To state the question in a less elegant but more pointed way - Should there be a policy that ensures some training when the need is evident and, if not, how do we justify the cost of failure to provide it in terms of the resulting deadwood, reduced productivity, diminished effectiveness, the cost of non-performers on the payroll, lessened service to the public, and poor public image?

3. Training Sources. Our terms of reference instruct us to examine "the operation and assistance in the operation of training and development programs". Intervenors have commented on training provided within the public service, whether centrally or by departments,

and training available from outside sources.

Most intervenors were concerned with the high cost of central training, whereby employees of several or all government departments are assembled at a single location to attend courses on subjects of common interest. Opinions as to the quality and relevance of this source of training varied considerably.

A few departments were lauded for their internal training programs, especially those conducted for employees in certain occupations unique to the public service. But even departmental training posed the problem of distance for employees in the regions, remote from the chosen location. In such cases, the cost of travel and accommodation often exceeded the cost of training; hence training was frequently denied.

Both managers and employees urged greater use of local educational resources, especially in the regions. They felt a higher proportion of public service training should be carried out in municipal and provincial institutions, whose teaching staff and facilities are equally available to government employees as to anyone else.

Some also supported the use of provincially sponsored vocational training in such fields as licensing and apprenticeship programs.

Many intervenors felt that an employee's opportunity should not depend on the commitment to training of his or her immediate superior. Managers who recognized the importance of training, we were told, sought out local resources to supplement those available through their departments. On the other hand, we heard representations that availability of departmental training programs of the highest calibre would not persuade certain managers to make use of them, even if they offered training in skills indispensable to the work undertaken by their employees.

The committee considers a further examination of the following questions essential to an agreement on adequate training policies:

What reasons should influence the selection from among the various sources for public service training?

Under what circumstances should training be provided (a) by the PSC?
(b) by departments?
(c) from outside sources?

4. Collective Bargaining. In the course of the committee's hearings, many intervenors contended that training and development should be subject to collective bargaining. Bargaining agents and employees claimed that, since training has a direct effect on an employee's career, every employee had the right to receive initial training, refresher training, and in the view of some, developmental training. The only way to guarantee this right, they argued, is to bargain for training and development.

Another argument presented for collective bargaining rested on the advantages that would accrue to both management and employees by tapping the latter's professional or technical knowledge in their chosen fields and their professional pride in contributing to high standards of competence. In the case of safety training, for example, they said the employee's familiarity with conditions in the workplace would contribute information essential to the design of an effective training program.

Some of those advocating the bargaining approach felt it should apply to content; some favoured bargaining for access to training, and some favoured both.

Proponents of continued managerial discretion

based their case on the thesis that training is a tool used by management to develop its human resources in the direction that will best achieve the organization's objectives. To accomplish this, they argued, responsibility for training, including the provision of training funds, and the allocation of training according to individual need, must remain with management. Employees will receive the training they require, they asserted, only if and when managers at all levels are held accountable for their stewardship of the human resources placed in their charge.

If agreement can be reached concerning the definitions of categories of training, it may be possible to identify some categories which lend themselves to collective bargaining and some which do not. Collective bargaining, it should be added, was not the only vehicle proposed to ensure employee involvement. Alternative proposals have suggested that more effective consultation between management and employee representatives would provide both parties the opportunity to prove that their interests in strengthened employee competence coincide.

Questions of the obligations and rights of both management and employees with respect to training are fundamental to such a discussion. There is a remarkable

similarity between examples cited by employees to justify their right to be trained and the examples given by managers to illustrate management's responsibility to provide training. The only real argument appears to be whether it is an employee's right to receive training or management's responsibility to provide it!

The committee must ultimately dispose of the insistent and opposing arguments concerning consultation and bargaining for some or all types of training. A prerequisite to this, however, is that both management and employees approach the problem on the basis of answers to questions like these:

What are the responsibilities and rights of both parties with respect to training and development?

What mechanisms will best accommodate the interests of both?

5. Selection: Under the present system, the determination of access to opportunities to update or improve an employee's competence is a matter of management discretion. Yet, employees are very much aware of the degree to which training and development, with consequent improvement of their qualifications, benefits the career prospects of those who receive it. Because of that, we

have heard compelling arguments for and against selection procedures for training and development which incorporate some element of competition.

One submission emphasized the need for management to understand the broader context in which pressure for more equitable access to training has arisen, in these terms: "The recent worldwide emphasis on access to training as a right of employees must also be considered."

Proposals that public servants should be able to compete for training opportunities have ranged from the extremely modest to the extremely bold. Some would be content to have competition limited to only those training programs that lead directly to promotion; others advocate competition for all training opportunities. Some suggest that selection continue to be based on traditional selection factors; others believe seniority must be considered. Still others believe that competitive selection would need to be based on different or additional factors, including some measure of an employee's capacity to accept increased responsibility and to profit from the training.

Some of those who are opposed to opening any training and development opportunities to competition

nevertheless believe there should be greater employee involvement in the selection process, by such means as consultation and self-nomination.

Those favouring continued managerial discretion point to management's responsibility for organizational competence and for the availability of funds to support training and development. Improved employee appraisals, they contend, would provide employees with a means of declaring their views on the training they require and their aspirations for career development. An adequate appraisal process, they feel, would give managers a more reliable basis for determining an employee's real training needs.

In a different vein, managers and employees seem to agree that one of the biggest obstacles to be overcome is the lack of information and counselling for employees concerning training available and its relevance to public service career requirements, whether or not they receive financial support.

Numbers of employees stated that they were anxious to commit their own time and their own resources to upgrading their qualifications as a means of enhancing career opportunities. Yet, they were even unable to get advice on what type of

training would be useful in that context.

A review of the opinions received by the committee raises two additional questions that require further study before any unequivocal views can be reached in the matter of selection for training. They are:

- (1) For what types of training and development, if any, should employees have the right to compete?
- (2) If there were to be a competitive process, what factors should govern the evaluation of employees with respect to access to training and development opportunities?

Conclusion

Taken together, the questions related to training and development -- types of training, determining requirements, sources, collective bargaining, consultation, and selection for training -- require examination beyond the initial representations we have received. We are convinced that the issues must be seen in a different light for each type of training. There is no doubt that both managers and employees have a stake in adequately equipping public servants with the competence required to effectively perform their jobs.

SECTION II-B-6

REDRESS

Introduction

A variety of avenues are available to public service employees who seek redress when they consider they have received unjust or inequitable treatment. The PSEA allows the right of appeal against decisions respecting internal appointment, demotion, or release for incompetence or incapacity. Employees also have the right to lodge a complaint (which is subject to less formal investigation) with either the anti-discrimination or the investigation directorates of the PSC, if they so wish. They may also seek redress through grievance and adjudication proceedings under the Public Service Staff Relations Act (PSSRA) or by making a complaint under the Canadian Human Rights Act.

Issues and Criticisms

Managers and employees are highly dissatisfied with the existing appeals system. Managers say the present process forces rigid adherence to the technicalities of

the staffing program, rather than a commitment to sound staffing practices in the first instance. The price of an appeal is an extended vacancy in the position concerned, and a corresponding reduction in service to the public while the issue is under review.

Employees, on the other hand, say they have no confidence in the appeals system. They feel it does not provide redress and is not perceived to be independent, while launching an appeal is a personally trying, even traumatic, experience.

A number of intervenors have told the committee that the right of appeal is not open in all instances where a personnel decision may prejudice an employee's opportunity for advancement. They advocate extending the right of appeal to such matters as selection for training and transfer within a department.

Almost all intervenors found particular fault with what they considered management's reluctance to disclose the reasons for its decisions. They argued that unsuccessful candidates should be able to receive a full explanation of their ratings by a selection board without resorting to a formal appeal.

More specifically, their major criticisms were:

- (a) appeal boards, as presently constituted, lack the perception of independence;
- (b) from the viewpoint of employees and managers alike, the appeals system deals with technicalities rather than with justice or with violations of the merit principle;
- (c) employees feel the appeals system is management-oriented;
- (d) managers consider appeals as an unproductive, time-consuming step in the staffing process;
- (e) there are too many frivolous appeals;
- (f) appeals rarely lead to redress;
- (g) employees often do not appeal a decision that adversely affects them, for fear of reprisal by their supervisors;
- (h) some employees feel themselves forced to use the appeals system primarily because it is the only way to obtain information about their own performance in the competition as a basis for self-improvement, or to assure themselves that the staffing decision was consistent with the merit principle;
- (i) the number of complex redress mechanisms that may be employed and their interwoven

jurisdictions cause confusion as to the proper redress action to take.

The results of the telephone survey generally supported these criticisms, with the following exceptions:

- (1) The appeal process was not seen to be biased in favour of either employees or management.
- (2) A slim majority felt that management would not react negatively to employees who appealed.

Individuals who had taken part in an appeal were more negative in their assessment of the appeals process. However, the fact that such employees represented only 6% of the sample suggests that only a minority of those employees expressing views on the subject may have had actual experience with the process.

It is also noteworthy that, in reply to most questions concerning appeals, 15% to 20% of the individuals surveyed replied that they did not know, suggesting a general lack of knowledge of the appeals process.

A number of questions flow from the representations made to the committee, including these:

1. Perception: What steps can be taken to enhance employee recognition of the appeals system as an impartial and independent process?

2. Organization: Can an appeals system housed within the PSC be -- and be seen to be -- independent? If it can, what changes are required to bring this about? If not, what steps are necessary to achieve the degree of independence sought?

3. Avenues of Redress: What steps can be taken to reduce the prevailing confusion as to what avenue of redress should be taken in any specific instance?

4. Scope of Redress: What further personnel actions should be subject to formal redress, and under what circumstances?

5. Disclosure: What is the most efficient means of meeting this requirement outside the procedure of a formal appeal?

Question Analysis

1. Perception. It is difficult to sum up the prevailing attitude toward the appeals system from evidence

submitted to the committee. A large number of employees asserted that it had no credibility within the public service, but none pointed a finger at any specific reason for their unhappiness. It is necessary, therefore, to speculate on areas that may cause these concerns.

It was clear that a great number of employees expected an appeal board to substitute its wisdom for that of the selection board and re-rate the qualifications of the candidates. Because this was not done, applicants felt they were being short-changed by the process.

The committee feels that no appeal board can be expected to have the expertise to select a candidate for a given position. Nevertheless, it may be possible for appeal board chairmen to write their decisions in such a way as to more fully explain their rationale when dismissing an appellant's allegation.

A comparison of appeal board chairmen appointed under the PSEA and adjudicators under the PSSRA reveals some inherent differences between the two posts. The method of appointment is one. The adjudicator is appointed by the Governor in Council from a list supplied by the

chairman of the PSSRB, following consultation with the employer and the bargaining agents. The appeal board chairman, on the other hand, is appointed under the PSEA by competition, in a like manner to the appointment of any other employee in the public service.

The adjudicator is not classified in a public service position. The appeal board chairman is classified in the PE category.

The adjudicator is not seen as a person following a career in the public service, with the possibility of further advancement in the structure. The appeal board chairman, however, may well be seen as one harbouring ambitions toward higher levels in personnel management.

Flowing from this comparison is the obvious question: Would a change in the selection and appointment method of appeal board chairmen change the perception?

2. Organization. Intervenors either supported the present appeal branch under the PSC or advocated that it be housed within the PSSRB. Those who advocated jurisdictional change stressed that impartial and independent

decisions can only be rendered -- and seen to be rendered -- where the agency responsible for redress is itself independent. Since the PSSRB is not responsible for staffing, they suggest, it is seen to be a suitable forum for independent and impartial redress decisions.

Some claim that the grievance/adjudication process is more efficient and more effective because problems can be solved at the departmental level during the complaint or grievance stage. Formal hearings are not required to deal with each problem presented. They argue that, if referral of staffing action grievances to adjudication required the support of the appropriate bargaining agent, frivolous grievances would not be referred, leaving only substantive issues to be decided by the adjudicator. Supporters of this point of view say the adjudicator would be able to render redress meaningful to the employee if his mandate permitted him to direct specific corrective action where necessary.

The intervenors who supported the existing appeals system argued that the appeal board chairman has independence from the PSC because the Commissioners cannot have any effect or bring any pressure to bear on an appeal board chairman once he has been assigned to an appeal.

They maintain that the PSC is in the same position as both the appellant and the department concerned, in that their only further recourse is an appeal to the Federal Court. They believe the appeals system is a rational arm of the PSC, supportive of its position as a guardian of the merit principle. They also state that the decision time on appeals (34 to 45 days from appeal to decision), as opposed to the long delays in adjudication proceedings (several months or longer), is a further reason for maintaining the present division of jurisdictions.

No intervenor has suggested an organization other than the two that have been mentioned. The committee would welcome any alternative proposal that incorporates the good points of both.

3. Avenues of Redress. Employees, employee representatives, and managers alike have contended that the proliferation of redress mechanisms compounds the problem. The existence of so many alternatives -- grievances, appeals, investigations, and human rights complaints -- causes confusion and delay in testing the validity of personnel decisions. Some aggrieved employees, it was said, have initiated redress actions in the wrong avenue, only to find

that the time allowed for action in the right channel had expired before the error was discovered. In other cases, employees have initiated action in more than one avenue, either to protect themselves against error, or in an attempt to obtain the best of either approach. The thin line between a disciplinary discharge grievance through the adjudication process under the PSSRA and an appeal against release for incompetence or incapacity under Section 31 of the PSEA has given rise to these problems. Managers report that, because of this kind of confusion, they must often defend their personnel actions before more than one jurisdiction.

Intervenors suggest that confusion and delay would be eliminated if all redress mechanisms could be pursued within one system, with one point of final redress decision. Nearly all of them feel this solution would be particularly desirable in cases involving termination of service. Under such a system, they believe, all terminations would be for cause, whether it be incapacity, incompetence, or discipline. The avenue, the mechanism, and the final point of decision would be the same under such an arrangement.

Other intervenors suggest that confusion and delay could be reduced by simply having a common registrar for all avenues of redress, who would be responsible for channeling the request to the proper jurisdiction.

Redress mechanisms available to public service employees through legislation such as the Human Rights Act are also open to employees in the private sector under the Canadian Labour Code, and cannot therefore easily be combined under one jurisdiction in the public service. But, even accepting these limitations, the question remains: How can the number of avenues be reduced? And what other initiatives, if any, can be taken to reduce the present confusion and delay?

4. Scope of Redress. A number of intervenors have pressed for the application of redress mechanisms to personnel actions presently free from such scrutiny. Varying degrees of support were heard for the right of redress in cases of transfer, selection for training, developmental programs, statutory priority appointments, rejection after the probation period, and abandonment of position.

Other suggestions made to the committee included proposals to allow immediate redress in the case of acting appointments, and to allow public servants redress in the case of an appointment following an open competition.

Most intervenors placed their strongest weight in the areas of transfer and training. Management decisions in both these fields, they argued, could prejudicially affect an employee's opportunity for advancement.

A transfer, for example, might result in blocking his or her expected career path or place the transferred employee in a much better position for future promotion. Training also could lead directly to promotion, or at least place the trained employee in a position of advantage, according to these representations.

Managers, on the other hand, to a large degree see both training and transfer as necessary management tools for providing efficient service to the public. In their view, opening these actions to redress proceedings would increase the complexity of the system and delay the necessary staffing or training action.

A. Transfers. The committee feels that the various reasons for transfer within the public service must be carefully weighed in order to ascertain the types of transfer, if any, that should be subject to redress. The following list is provided to elicit responses to what the committee views as a very complex problem:

Compassionate Transfer -- transfer made for medical or family reasons.

Priority Transfer -- the transfer of an employee having statutory priority or of an employee who would eventually have statutory priority if not transferred.

Immobility Transfer -- the transfer of an employee to another position in the same geographical location to avoid relocating as a result of decentralization.

Employee-requested Transfer -- the transfer of an employee to a different geographical location or a different unit or department for purely personal reasons.

Group- or occupation-related Transfer -- the transfer of an employee as a condition of original appointment (i.e., foreign service officers and some postings to isolated posts).

Remedial Transfer -- the transfer of an employee whose performance is below an acceptable level to allow further required development in the employee's

present field or the transfer to another field of work where it is anticipated that the employee's qualifications are more appropriate.

Personality Transfer -- the transfer of a qualified employee to another position to resolve an insoluble personality problem in relation to another employee.

Developmental Transfer -- the transfer of a qualified employee to a position for the purpose of broadening the employee's experience to make that employee better qualified for further promotion.

Organizational Transfer -- the transfer of an employee to meet changing organization or operational requirements.

Discussion of which types of transfer should or should not be subject to redress must also take into account the extent of the changes involved in terms of (a) similarity of duties of the positions, (b) organizational location, and (c) geographical location. The solution arrived at would also have to be compatible with area-of-competition guidelines.

B. Training and Development. The question of redress in the matter of selection for training is equally complex. A number of categories of training take place within the public service, and each type must be reviewed

when considering whether selection for all or any of them should be subject to redress. The categories include:

Prerequisite Training -- the training which one must complete successfully to qualify at any given level.

Remedial Training -- training given to employees whose performances are unsatisfactory, to allow them to continue in their present positions or in other positions for which their qualifications may be better suited.

Job-Related Training -- training required of employees to ensure that they are able to perform their present functions at an acceptable level. (This would include orientation and coaching during the probationary period, training to enrich knowledge or abilities related to the job, training related to organizational or operational changes, and safety training.)

State-of-the-art Training -- training given to ensure that an employee remains abreast of changing technology.

Re-Training -- training to help redundant employees acquire skills for a different position.

Development Training -- training given to employees to prepare them for future promotions, whether related to a specific position or to an ultimate career objective.

5. Disclosure. Most, if not all, intervenors argued that a candidate has a right to all information relevant to his or her standing in the selection process. This information, they claimed, is essential if the employee is to make a rational decision on whether to file an appeal. It would also be helpful as a basis for self-assessment when the employee is considering training needs and career aspirations.

Managers said that, in their experience, there was a marked decrease in the number of appeals filed when rating boards explained to candidates the reasons for their ranking in some form of post-selection discussion. Employees and employee representatives cited numerous examples of appeals lodged out of frustration at the inability to get the factual information on which the board's decision was based.

Two related issues flow from the discussions on disclosure, both of which merit consideration.

One, raised by some intervenors, is the contention that, given full disclosure, applicants should be required to delineate their reasons for an appeal. Such a requirement, they feel, would reduce the number of frivolous appeals.

While this may be a reasonable assumption, the committee's concern is that the average employee is not sufficiently versed in the appeal process to allow such delineation. This would be especially true in geographical areas where expert counsel was not close at hand. Should the applicant's representative be made party to full disclosure with the permission of the applicant, then greater certainty of the issues might be expected in the appeal document. There is also reason to believe that involvement of the representative in full disclosure might have the effect of reducing the number of appeals.

The second point to consider is that, should the mechanics of full disclosure require a meeting of members of the rating board with the appellant and his representative, such a meeting would also allow management to review the selection decision. The numbers of national and regional competitions held might preclude the formalization of such a structure, but the committee would welcome expressions of opinion as to whether such meetings would be worth while where geographically practical.

Conclusion

The committee believes that any changes to the present appeal process must enhance confidence in the

system, reflect the legitimate expectations of employees, and accomplish these objectives without seriously detracting from management's ability to recruit and upgrade staff in accordance with the needs of the times.

SECTION II-B-7

CONTROL

Introduction

The 1967 PSEA empowered the PSC to delegate certain staffing responsibilities to individual departments and agencies. About 92% of appointments in 1977 were made by departments under such delegated authority.

A number of controls have been set in place to provide discipline to the staffing system. Responsibility for the staffing of certain groups is retained by the PSC. The granting of delegation is subject to some basic conditions, such as a requirement for regular internal evaluation of the departmental staffing function and a requirement to report to the PSC on certain activities and results -- for example, submission of information on every appointment. Audit and subsequent action to correct identified problems and to revise instruments of delegation are key instruments of control. The PSC provides support in the form of professional staffing advice to managers and the training of those who exercise delegated staffing authority. It is only through a proper balance of such controls and supports, backed by a commitment to the

integrity of the staffing system, that the system is able to discipline itself.

Issues and Criticisms

The perceived lack of effective control over application of the merit principle was a matter of much concern to intervenors. There was a corresponding concern that existing controls place too much emphasis on procedural compliance and too little on ensuring that the merit principle is consistently adhered to in the selection process. Intervenors declared that delegation must be earned, granted only to organizations of proven readiness, and withdrawn or constrained in the case of organizations which lack the capacity or the will to administer their delegated powers equitably.

Whether to delegate or not to delegate was the subject of much debate. Many employees and their representatives displayed their lack of confidence in those who carry out staffing under delegation and in the present system of controls, by recommending that delegation be abolished. On the other hand, managers, central agencies, and some employees and their representatives supported delegation as the only practical course to follow in

staffing positions. They recognized, however, the clear need for a central interest in the employment of certain groups which represent specialized resources for the public service.

Intervenors unanimously recognized the need for competent professional advice to line managers and for effective review of the way in which delegated staffing authority is exercised. On the first issue, the role and reporting relationship of personnel administrators was vigorously debated, with opinion widely divided. Some urged that all staffing officers should report directly to a central agency, while others believed that they should report directly to the lowest level of line management practicable. In the view of many, a balance must be struck between the need for personnel administrators to safeguard the integrity of staffing practices and the need for managers to have ready access to competent personnel advice. However, regardless of their opinions on the reporting relationship of staffing officers, intervenors welcomed the promised certification requirement for those exercising staffing authority.

With respect to audit, intervenors expressed their conviction that there must be a tough, independent

check on adherence to the merit principle, backed by the existence of strong sanctions. Some argued that the results of such audits must be made public to give the procedure credibility. Others said that audit results should at least be available to employee representatives and other departments and central agencies. This would let employee representatives know that corrective action had been taken in response to their complaints. In addition, departments and central agencies would profit from the experience of others. The PSC's shift from a focus on compliance with procedures to a focus on the over-all management of staffing in a department was welcomed as a positive step.

The proliferation of audits imposed on operational organizations provoked anger among managers. Some would meet this problem by extending the scope of independent audits to include an examination of each department's over-all performance in personnel management; others would integrate both internal and external audits, possibly incorporating financial, personnel, and operational audits. Managers stressed their need for the combined information on audit results, as a basis for correcting the system.

The PSC's dual role in audit and operation also occasioned considerable concern. Some intervenors

considered that it left open a potential for compromise, or at least the appearance of compromise. Others argued that experience in either function supported the other. They stated that having audit and appeal functions within the same organization as the operational function allowed speedy access to a large core of experience. When making an operational decision, they pointed out, this system allowed decisions to be made before the fact, whereas the audit always comes after the fact.

With respect to control, the above discussion raises the following questions:

1. Delegation: Should there be delegation of staffing authority? If so, should any exceptions be made? What safeguards, limitations or conditions should be set on the exercise of delegated authority?

2. Personnel Administrators: What should be the role of staffing officers? What should be their reporting relationship? To whom should the certification requirement apply?

3. Audit: Should the results of an external audit be made public? If not, to whom should they be made known -- employee representatives? other departments? central agencies? What matters should be subject to an independent personnel audit? What positive steps can

be taken toward more effective audit by integrating external and internal personnel audit or by combining audits of personnel, financial, and operational functions?

Question Analysis

1. Delegation. It was generally agreed that control emanates both from the system of compulsory procedures and from the audit of departmental performance in the exercise of delegated authority.

Managers considered the controls too extensive, in the sense that they interfere at too many points. Ironically, both managers and employees also considered the controls too weak, in the sense that they do not force corrective action. A common theme expressed in the discussion was that the staffing system should not provide checks and blocks to prevent managers from doing the wrong things, but rather provide mechanisms and support to help them do the right things and then audit their performance.

Some intervenors proposed a variable approach to delegation, which would clearly relate the degree of discretion allowed a manager to the staffing record. The

management of an organization, they argued, must earn the right to delegated authority by demonstrating its competence in personnel management, including the effectiveness of its system and the knowledge and abilities of its managers and personnel staff. A record of responsible personnel management, proponents of this approach maintained, should be recognized by allowing greater freedom from restrictions on delegation. By the same token, strict sanctions should be imposed on those individuals who misuse the authority delegated to them.

Intervenors stressed the importance of placing limits and conditions on the delegation of staffing authority in direct relation to the degree of integrity shown in the application of employment legislation, regulations, and systems. A large proportion of employees, with support from a number of their representatives, went so far as to argue for complete re-centralization of staffing authority under a central agency. The strength of their conviction that abolishing delegation would be the only solution is indicative of the low level of confidence these employees have in the present staffing system, and in those who run it.

Some employee representatives argued that delegation promotes balkanization. Employees in small

departments, they said, suffer from the lack of opportunity because managers in the larger departments feel that all the expertise in a given field is contained in their department. At the same time, managers in small departments, with little knowledge of a specific field, go to outside competitions to fill vacancies because they don't realize that expertise is available in larger departments.

Those who favoured at least some central staffing pointed out that it offered certain advantages. A central agency or major user department, for instance, can employ staffing specialists who know the nature of the work in specialized occupations as well as the best sources of qualified candidates to fill such vacancies, both inside and outside the public service.

Some intervenors recognized a need for some form of central management for groups which are a service-wide resource. We heard debate about the desirability of delegated staffing authority for, as an example, certain levels of senior managers and financial officers, both of which are considered scarce and vital resources in today's public service. Whether the appropriate agent for central management of such groups should be the PSC, as the staffing agency, or the Treasury Board Secretariat,

as the general manager of the public service, was debated at some length. Some intervenors opposed the idea of centralization on the grounds that departments need full staffing authority particularly in the search for such scarce resources. The PSC, they believed, should perform only a central brokerage role.

Managers, central agencies, and some employees and their representatives saw delegation of most staffing to departments as the only practical method of filling positions with a minimum of delay. They argued that managers at the lowest appropriate level must have the authority to select their employees, with personnel specialists providing strong professional support. There was support for strong central agency monitoring to ensure that departments met the requirements of the PSEA. Qualified and well-trained selection board members were considered essential to the staffing process.

The PSC brief emphasized the need to maintain existing safeguards on the quality of delegated staffing, as well as pointing out recent initiatives, such as a strengthened audit, regular feedback to deputy ministers regarding departmental performance relative to that of the public service as a whole, and mandatory certification

of persons exercising delegated staffing authority. Some managers also noted the value of a systematic approach to the use of informal indicators of departmental staffing performance, such as a regular review of appeals made against departmental staffing decisions, and periodic discussion at union-management consultations of the recent staffing experience of the organization.

The discussion illustrates the wide divergence of views, which ranged from total opposition to any delegation to support for almost total delegation of staffing authority, and raises the following questions:

Should there be delegation of staffing authority?
If so, what exceptions should be made?

What safeguards, limitations, or conditions should exist respecting the exercise of delegated staffing authority?

2. Personnel Administrators. We have heard much discussion of the role of personnel administrators in control of the system. The proposals vary, largely according to how the particular intervenor views the staffing officer's role. Some consider the staffing officer as a support to management, providing competent advice about the staffing system, which the manager ignores

at his peril. Others see the staffing officer as the guardian of the system's requirements, with the manager subject to the staffing officer's judgment.

Those who proceed from the former assumption favour the responsible staffing officer reporting to a line manager. Those who would emphasize the control function of the personnel specialist favour a correspondingly stronger reporting relationship to a central personnel organization in the department, or even to the central personnel agency, which would simply locate personnel administrators in departments. These intervenors caution against making personnel administrators dependent on line managers for their performance evaluations and career advancement, lest such dependence compromise the diligence of staffing officers in preventing improper practice.

Whatever the reporting relationship of personnel administrators, intervenors held a common view on the need for competent personnel specialists to maintain the integrity of the employment system. They welcomed news of the PSC's planned certification program for staffing officers. Managers, especially those in remote areas, underlined the value of on-the-spot access to persons

knowledgeable about the staffing process and sensitive to their operational requirements.

What should be the role of staffing officers?

What should be their reporting relationship?

To whom should a certification requirement apply?

3. Audit. The audit function was seen as the key mechanism to trigger corrective action in the staffing system which they believed was essential to adequate control, both within departments and across the public service as a whole. Intervenors unanimously agreed on the need for a strong, independent audit as a protection against abuse of the merit principle.

Some managers and employees held the view that only the threat of public disclosure of every department's performance would provide an effective safeguard. One senior manager favoured a "highly visible, brutal pack of auditors". Concern was expressed, however, that outspoken public criticism would not by itself resolve problems.

Those who did not advocate public exposure of the audit results argued that they should be made known to employee representatives, other departments, and central agencies. As employee representatives presently are involved in the pre-audit stage, advising the auditors of their perception of particular problem areas, they held that access to the audit findings in those areas was necessary to maintain the responsiveness and credibility of the process. They also argued that the experience gained by one department through audit should not be lost to other departments or to the central agencies.

Managers generally favoured tougher audits by the PSC, with managers subject to appropriate sanctions, including the withdrawal of delegated authority or limitation of discretion, for any shortcomings revealed. Managers said they needed clear statements of what is expected of them in their exercise of delegated authority, but felt they should be held to account for results, rather than for their absolute compliance with the system. There was strong criticism of the procedural focus of central audits -- a criticism somewhat diluted by the PSC's changed emphasis in their audits of the effectiveness of the machinery established in departments to manage the staffing function.

Many managers were infuriated by the multiplicity of audits. There was some support for an over-all personnel audit which would safeguard the merit principle and emphasize the obligations of the personnel system in this regard. With the proviso that a body independent of the organization to be audited should be involved in such an assessment, there was support for the idea of co-ordinated internal and external audits. There was also support for an integrated personnel, financial, and operational audit at the departmental level. Managers were particularly favourable to combining the efforts of specialized auditors in a report which would have maximum value in analyzing over-all shortcomings in the organization. There were also obvious advantages in such a program, since it would reduce the disruption of operations generated by the multiplicity of auditors. Some intervenors, however, predicted that an independent audit of the application of the merit principle, conducted by an agent of Parliament, would be compromised if it were integrated with other audits.

The final question raised concerning audit was that of the perceived conflict seen between the present operational and policing roles of the PSC. Many intervenors claimed that an independent audit function cannot co-exist with an operational function under the same management.

They argue that the responsible manager cannot effectively manage both functions without compromise. Either an operational decision would be eroded by the responsibility for audit, or an audit finding diluted by operational necessity. The present arrangement represents a conflict in principle, they believe, and even though a particular manager can make the arrangement work, it remains an aberration in the control system.

The counter-argument was that the two functions can, indeed, be separated without conflict of interest and that the experience gained promotes both functions. This issue is further developed in the section of the working paper dealing with roles.

Given the importance of the audit function, it would be helpful to have responses to these questions:

Should audit results be made public? If not, to whom should they be available?

What matters should be subject to an independent personnel audit?

How feasible or advisable is it to integrate independent audits with internal audits?

How feasible or advisable are consolidated personnel, financial, and operational audits?

To what extent does the PSC's operational role conflict with or contribute to its audit role?

Conclusion

There is no doubt as to the importance attached to control over the application of public service employment legislation and policies. The committee would welcome further views on means of improving the system of checks to assure the confidence of the general public and of public service managers and employees in the effectiveness of employment and development of public servants under the PSEA.

C. SPECIAL COMMITTEE EMPHASIS

SECTION II-C-1

EQUALITY OF OPPORTUNITY

Introduction

In the course of our work, we received representation on behalf of members of groups who sought greater access to employment in the federal public service - women, native Canadians, and handicapped persons.

All intervenors supported the idea that the federal public service should be representative of all Canadians, in order to enhance the sensitivity of public servants to the Canadians they served. It would also serve as a means of demonstrating that the government lives up to its declared commitments of ensuring fair and equitable opportunities for groups who have traditionally been under-represented in the Canadian labor force. Despite very considerable effort, the present representation of many groups falls far short of that goal.

It is not surprising that the most specific proposals to rectify this situation have come from organizations

now serving minority groups, such as the Human Rights Commission and the federal Department of Indian Affairs and Northern Development.

This paper reflects the views of these organizations, and those of other groups and individuals. By making them known, we hope they will receive careful thought and critical examination which may produce some positive suggestions for improvement.

Minority Group Expectations

1. Women. At first glance, one would not expect to find fault with the number of women employed in the public service. Indeed, women's groups which made representations to us conceded that the public service was a better than average employer with respect to providing opportunities for women. They felt, however, that women were less than valued employees, occupying mostly the lowest echelons of the service.

Three types of structural barrier they identified are the selection standards, the screening process, and the lack of bridging positions.

The insistence placed in selection standards on high minimum education levels made it difficult for women in the administrative support category to advance to higher levels. A better balance between relevant experience and required education was needed to overcome this handicap, intervenors insisted. They added that job descriptions often inflated actual requirements for knowledge and abilities, thereby decreasing opportunities for women.

Screening by salary levels sparked bitter criticism by both women's groups and female individuals who came to employee meetings. They saw it as particularly discriminatory toward women in the administrative support category. At a time of high unemployment, they pointed out, women often take administrative support positions simply because vacancies at higher levels, for which they are qualified, do not exist. Screening on the basis of salary was seen to disqualify them unfairly from competing when higher level positions opened up.

A number of intervenors, particularly at regional hearings, deplored the lack of bridging positions. Examples

were given of departments where the highest administrative support position on the organization chart was at the CR-4 level, and the lowest administrative position was at the AS-2 level. Women in the CR-4 positions could not hope to advance because there was no middle range in which they could prove their capabilities.

To offset these handicaps, they advocated the establishment of developmental positions, in which the incumbents would receive specialized training to prepare them for higher level positions. Other special training programs and more aggressive recruiting were also suggested.

2. Native Canadians. Very few representations were received on the subject of employing native Canadians, but those we heard stressed the cultural barriers to be overcome. They also expressed the belief that selection standards were substantial barriers. Many native Canadians, though highly qualified for certain positions because of experience and on-the-job training, were screened out because they lacked the academic qualifications. Intervenors felt job profiles should be reviewed to give more weight to practical experience, rather than educational credentials.

All who discussed this topic agreed that more native Canadians should be in the public service, both north of 60 and in the south. The Department of Indian Affairs and Northern Development suggested that positions and funds be allocated across the public service in support of programs for the training and ultimate employment of native Canadians.

3. The Handicapped. The committee received very few representations on this subject, but those who did speak on behalf of these groups described a need to identify jobs and working conditions conducive to the employment of handicapped persons. They pointed to the potential for change in the design of the work place, the design of equipment, and indeed, the designing of jobs, all of which could facilitate the employment of handicapped persons in the public service.

Capacity for Improvement

There was general agreement that a combination of circumstances makes it difficult to improve the representation of minorities in the public service. The

views we heard made it clear that senior management is committed to increasing the representation of minority groups in the public service, but that this is more difficult to achieve in a time of restraint. While most managers agree that a policy favouring the employment of minority group members is desirable, they resent the implication that their own efforts will be sufficient to accomplish a great deal without the resolution of a number of basic problems. Examples are the availability of qualified minority group candidates, and necessary resources for their training.

Minority group representatives at our meetings, and even some managers, suggested that subtle discrimination was also a force in the competition process. To overcome this, they would ensure that selection boards interviewing women included women members and those interviewing native Canadians included natives.

There was a clear consensus that more must be done to ensure the serious consideration of more minority group candidates. Some intervenors suggested that membership in a minority group should be judged to constitute merit for certain positions. Others argued for more aggressive recruiting among minorities to attract

qualified candidates. Inventories of qualified candidates from minority groups would encourage their consideration. One proposal suggested that, if candidates for a position did not include a sufficient proportion of minorities, a wider search should be mandatory before the selection process could begin. All intervenors agreed that the establishment of quotas was not the answer.

Even if qualified, members of minority groups were seen to require education not only concerning careers in the public service but also in the selection processes used.

Some suggested that preferential treatment of minorities could also take the form of hiring such candidates to fill career development positions prior to appointment, as is being done with the Northern Careers Program for natives and the Career Orientation Program for francophones.

Whatever the solution to the problem may be, most intervenors agreed that the process of change would be slow, responding only to long-term programs. No matter how much general support exists for providing

equality of opportunity, intervenors pointed out that special measures would, of course, be subject to criticism by those who feel threatened by such special programs. It could not be expected that employees generally would welcome preferential treatment for members of minority groups if it were seen to have a prejudicial effect on their own careers. Special programs for the justification for and mechanics of special programs would have to have the full understanding of not only the minority groups but of all employees. Many felt that good information could help to minimize backlash.

Conclusion

The subject of equal opportunity has been covered in voluminous detail in other publications and studies but the problem, although less severe than before, is a long way from being solved. The views expressed in this working paper indicate that intervenors see equality of opportunity as a laudable goal, but have reservations concerning the potential for its attainment.

Before we can begin to frame specific recommendations, we must hear a great deal more on the subject, particularly from those who represent the interests of minority groups. We hope this may take place during discussions in the second phase of the committee's work.

SECTION II-C-2

STAFFING IN THE NORTH

Introduction

In the north, more than anywhere else in Canada, we heard examples of the difficulty of applying systems developed in Ottawa, without proper consideration for the real demands of the job and the workplace in which the job is done. Staffing problems are intensified by the remoteness of the north. Added to the frustrations of day-to-day personnel management were the severe stresses caused by two unique issues -- the effect of policies concerning Crown-owned housing, and the impact of the Northern Careers Program, designed to recruit and train native Canadians for the public service.

Managers and employees voiced real anger at the insensitivity of Ottawa-based officials who ask over and over what the problems are, and never seem to the northerners to have even begun to understand how severely personnel management problems undermine their operations. The public servants in the north believe that few are interested in those problems, and those who are do not really understand.

The special committee has reviewed recommendations which northern managers and bargaining agents have offered in other forums. We consider it critical that intervenors be aware of the criticisms, and we would welcome specific proposals for their solution from those who are empowered to act on them. Further denial of the problems will only tend to reconfirm the belief that those who have the power to remedy the problems neither care nor are concerned about the heavy and unnecessary burden and stress placed on managers and employees alike. Our final recommendations must take the concerns of northern public servants into account, since whatever their root, they have substantial implications for personnel management.

Issues and Criticisms

If there was a single issue guaranteed to provoke hostility among both managers and employees it was housing. Northerners see policies with respect to Crown-owned housing as the most graphic illustration of the defects in policies concerning employment of public servants in the north. Most of those we met raised serious questions about the assumptions which seem to govern careers in the north. A good number of intervenors were men and women dedicated to more than a temporary assignment in the north. They challenged practices which they see as designed to make use of northern

positions as rotational assignments for those who are neither committed to working in the north nor sufficiently knowledgeable about northern conditions to function adequately in their jobs. They recognized, at the same time, the likelihood of a continuing need for a limited number of positions to be filled by transients. They also did not underestimate the difficulties of attracting qualified people to certain positions and locations. Nevertheless, there was a strong concern that human resource management policies and practices, as well as the related administrative policies which have an impact on staffing, should be designed to foster the employment and development of those who choose to make the north their home, and, conversely, should not be based on the assumption that an employee who works in the north will be a transient.

Viewed from this perspective, they find policies related to Crown-owned housing ludicrous. The fact that housing is not available to persons hired locally is seen to favour employment of outsiders. Extremely high living costs are considered to be offset to a larger degree for those who occupy Crown-owned housing than for those who do not. Managers also complained that the prospect of living in Crown-owned houses discourages many a prospective recruit, or the recruit's family. They find it difficult

to protect any residential accommodation for successors of employees who vacate positions and Crown-owned lodgings. They cited about forty positions vacant at the time because housing was not available. They complained that differences in standards of accommodation build resentment among public servants, and their families, who live together in very close quarters. The policy of the Northwest Territories government to subsidize housing which their employees purchase or rent privately was but one of the territorial practices envied by federal managers and employees alike.

We feel great sympathy for Public Works officials, given the circumstances they face in the management of housing. There is no denying the difficulty of this problem, particularly in view of the high market value of private housing in the north, and the heavy investment of the Canadian government in the accommodation it now owns. However, the allocation of housing, and the unsatisfactory living conditions in some of the complexes, are seen to have a major negative impact on staffing northern positions. The relative disadvantage of those hired on the spot is seen to discourage northerners from seeking federal employment, and managers from recruiting locally.

Although housing is not an obvious element of

our terms of reference, there is no doubt that policies related to allocation and subsidization of accommodation for public servants in the north have a substantial impact on the effectiveness of northern staffing, and need serious attention.

In this regard, the lot of the family has a direct and heavy bearing on the decisions an employee must make, and on the employee's ability to perform at a satisfactory level of effectiveness. If a family is under continual stress because of housing conditions, the employee's energies and attention are diverted from the work at hand. Examples were cited where an employee was agreeable to accepting a northern posting until the family arrived on the scene, only to be traumatized by the prospect of occupying a particular housing unit. At this point, it was too late for the employee to back out, yet he had no options to offer the family. The conflict thus introduced into a family is obvious. If many families share the same problems, the cumulative effect is escalated in geometric proportions.

The second major controversy concerning personnel management in the north surrounds the Northern Careers Program. The program was launched in 1975 on behalf of

fourteen employing departments with regional offices in the north. Native Canadians are brought into the public service and given up to five years of training until they qualify in competition for a position. Most public servants whom we met in the north stated that they welcomed the initiative to open the public service to native Canadians, and commended the program for its results in terms of providing them with the training so long denied, and in terms of the integration of native Canadians into a larger number of public service jobs than in the past. However, all concerned gave illustration of the tensions generated by such a highly visible social change. This, presumably, is inevitable.

Participants in the Northern Careers Program, and those responsible for the program, were aware of those cultural conditions which tend to make the public service an inhospitable environment for native Canadians, not because it is the public service *per se*, but because it is an enterprise, like others, that in the past has not been accessible to natives. In spite of careful nurturing in the integration of the individual into the workplace or training environment, they see the adjustment of participants, their co-workers and managers as a major hurdle, not always overcome. They complained of the

inflexibility of managers in determining the qualifications required for a job for which a native Canadian's life experience may in fact be a far better credential than the prescribed selection standards. Some participants are lost to the territorial governments, which are more involved in social development programs where technical qualifications are less important, and which offer what appear to be more attractive benefits.

The scale of the program and its high profile have escalated the concerns of career public servants in the north. Published goals of the program suggest to some public servants we met that a high proportion of middle management positions in the north will be filled by graduates of the program. They fear that many career opportunities will be denied them. Their complaints were intensified by their experience in providing on-the-job training to program participants whom they see advancing faster than themselves, or being placed in positions over them, before they are adequately qualified. It was their belief that flexibility in applying selection standards was exercised for participants in the program but not for others. As in the discussion of housing, public servants favoured policies based on opening careers to northerners. They wanted a Northern Careers Program, but wanted it open to all.

The stresses on all parties engaged in opening the public service to native Canadians are dramatized by the reaction of program participants and of career public servants to the injection of the Northern Careers Program into the public service north of 60. Further views on means of easing the process of opening public service employment to native Canadians will be essential to the development of useful recommendations on staffing in the north. We must also rely on such views to enhance the mature understanding we will need as a basis for our overall recommendations concerning equality of access for those groups whom the Canadian government has declared a readiness to welcome into public service careers.

Those who met with the committee in the north will recognize elsewhere in this working paper some of the problems they share with public servants across Canada. The remoteness of the job locations in the north, in both geographical and organizational terms, intensifies certain of the personnel management roadblocks. Managers and employees emphasized the importance of the fit between the prospective employee and the northern workplace, and indeed between the candidate's whole family and the northern living environment. They felt that serious candidates

must be interviewed on site, to assist the decision of both the candidate and the manager.

The staffing process, slow and cumbersome at best, is considered completely unsatisfactory by northern managers. Inadequate delegation of staffing authority, combined with inaccessible personnel advice from departments or the central agencies, are seen to act in combination to deprive the managers of the capacity to fill positions adequately. Inflexible procedures for staffing to meet temporary requirements were blamed for actions as extreme as complete shutdowns of operations in the absence of regular staff. Requirements of area-of-competition guidelines were interpreted as further barriers to recruitment in the north. Both managers and employees were in favour of greater mobility between federal and territorial public services. However, most considered employment in the territorial service more attractive than that in the federal service. There was a rather generalized view expressed that the employer was not prepared to pay the price of its northern policy, and that these policies, in some respects, were laid on the backs of employees and their families.

On the question of political participation, northerners felt severely deprived by the limits placed

on their participation. Because the north is such a public service community, they advocated freedom to participate in politics, at least at the territorial level.

These are highlights of the problems experienced by northern public servants whom we met. The purpose of this section has been to focus the attention of intervenors on those problems unique to the north, or, if not unique, unusually acute, which demand solutions. We would welcome further views on the following questions:

To what extent, and in what manner, should personnel management policies and practices foster the employment and development of northerners?

What changes need to be made to policies governing the provision and allocation of Crown-owned housing and subsidization of private accommodation to promote the staffing of northern positions?

What steps are necessary to ease the opening of public service employment in the north to native Canadians?

What practical action is required to ensure that public service personnel management policies and practices are adapted to the unique requirements of the north?

D. SPECIAL COMMITTEE OBSERVATIONS

- DIRECTION FOR OVER-ALL CHANGE

SECTION II-D-1

THE CALIBRE OF MANAGEMENT

Introduction

The success of an organization depends on the quality of its management, and one of the most important management functions is selection, direction, and development of its staff.

To achieve organizational objectives, management must begin by selecting competent employees, having in mind not only the immediate requirements of positions being filled, but the capacity of each candidate to grow and develop with experience and assume steadily increasing responsibilities.

The successful manager trains his employees, and inspires them by personal example. In this way, he constantly builds and replenishes the organization's competence. The best-conceived system of personnel administration will not result in sound management of human resources unless the manager is strongly committed to acquiring and developing a staff with the capacity to produce the results expected.

It seems reasonable to speculate that the special committee was created simply because the public service has not required competence in people management on the part of its managers.

Improvement in the management of human resources in the public service will be achieved only when there is a change in the thinking, knowledge, and attitudes of managers at all levels. This, in turn, will come about only when the most senior management establishes a standard, makes it known, and demonstrates by example and leadership its own commitment to sound personnel management principles.

Managers have stressed the need for the Public Service Employment Act to recognize the rights and responsibilities of managers in relation to the employment of their people. There is a strong impression that the mass of regulations, guidelines, and systems reflects an ignorance of the reality of most managers' circumstances. Overregulation, at best, suppresses the exercise of sound judgment, initiative, and innovation in the management of staff. At worst, and most often, it becomes a substitute for the exercise of sound judgment, initiative, and innovation.

Overregulation implies a belief that managers are neither able nor willing to exercise the responsibilities

of managing their staffs in accordance with the legislation and policy laid down in the Act itself.

We have not found this belief well founded. Our meetings with managers have impressed us with the desire of most of them to manage their staffs in a manner calculated to provide a high quality of service to the public. The blame for their inability to translate their desire into accomplishment should not rest heavily on their shoulders. They recognize their own need to receive training that will give them an understanding of the legislation and policies as well as greater skill in managing their employees. It is surely time to concede that regulations do not achieve effective management and that more regulations do not lead to more effective management. Indeed, the converse is closer to the truth.

We make these observations with some fear that they may be seized on as ammunition by those who would use them to support their established prejudices against the quality of management in the public service. The serious effect on morale created by current staffing and management practices in the public service, however, and their ripple effect on employee motivation, compel us to prompt further debate on the subject of improving the competence of management to make effective use of its human resources.

We consider it important that all intervenors be aware of the criticisms we have heard so that they may examine the degree to which the criticisms are valid. We particularly invite the attention of those responsible for the management of managers, because improvement in the quality of management will depend heavily on their leadership. The conclusion is inescapable that a great number of managers not only lack competence in the field of human resource management, but have little incentive or means at their disposal to improve their performance.

Issues and Criticisms

We have heard repeatedly from managers and employees that managers are selected without reference to their competence or aptitude in managing people. Once selected, they are not trained to do their job as managers. Intervenors maintain that the personnel system is so complex that managers are effectively precluded from exercising their responsibilities and prerogatives, which have been taken over by a growing horde of personnel specialists and lawyers.

The committee does not consider it reasonable to hold managers accountable for meeting the vast and complex requirements of the present personnel management system

when so much authority is vested in persons or groups outside their jurisdiction. Evidence presented to the committee indicated that managerial authority is eroded by controls that limit their exercise of delegated staffing authority. In fact, it was generally acknowledged that there is little evidence of a philosophy of management within the public service that reflects a commitment by the senior management of the service to the importance of managing people as well as systems.

The fact that managers and their employees agree on the root of the problem is significant, as is the fact that employees do not blame their managers. The representations we have heard reflect frustration among managers with the inadequacy of their preparation to do their jobs, and pity among employees for the situation the managers find themselves in.

Employees contacted in the telephone survey clearly recognized the need for managers to have the freedom to take managerial decisions concerning employment practices without reference to higher authority. They shared, however, the concern that today's managers fall short in the management of their staffs.

These are grave charges. Their consequence is a virtual undermining, through managerial ineptitude, of the best-intentioned efforts of those responsible for the present personnel management system. Yet, no matter how technically brilliant their systems may be, the central agencies of the public service must recognize that systems are operated by people -- busy people -- and that employees are influenced more by the day-to-day actions of their immediate supervisors than by any set of rules and regulations.

If public service managers are indeed as incompetent in staffing, developing, and removing their employees as they have been painted, it is small wonder that confidence in personnel management is as low as many observations placed before the committee suggest.

Support for Criticisms

The committee has not been asked, however, to blindly accept the criticisms placed before it. An initial examination of present practice reveals that criticism focuses on five aspects of management which intervenors regard as being particularly unsatisfactory. They are:

1. *Selection of managers.*
2. *Training of managers.*

3. *Accountability for personnel management.*
4. *Limitations on managerial judgment.*
5. *Philosophy of personnel management.*

The criticisms and suggestions put before the committee are worth examining in some detail.

1. *Selection of Managers.* Not enough emphasis is placed on assessing managerial competence by selection boards interviewing candidates for management or supervisory positions. Board members rarely appear to consider themselves competent to rate an individual's ability to manage people. Nor, indeed, do they seek evidence of the candidate's knowledge of good personnel practice or an awareness of the obligations a manager must assume in the areas of legislation, policies, and systems.

Only recently has attention been directed to the need for selection standards to reflect these requirements by demanding evidence of knowledge, ability, or aptitude in the area of personnel management. Although we have seen evidence of plans to tighten the selection criteria for senior management and executive groups, the emphasis appears to focus on knowledge of personnel systems rather than on the ability to select and develop staff with the necessary aptitudes to achieve program goals.

2. Training of Managers. The training of managers in management of people remains inadequate. Few departments make such training universally available. Still fewer make it mandatory.

Central training tends to focus on the requirements of the personnel system, rather than on the manager's responsibility for selecting, training, and motivating staff. This emphasis reflects the premise that managers at least need to know how to make the system work.

It is alarming that managers seem to attach a low priority also to the need for training in personnel management. An illustration of this attitude is seen in the low registration in central personnel management courses for managers. (In 1977-78, only 265 enrolled in the courses on Staffing and Staff Relations for Managers.) We also note a general unwillingness of managers to devote their time to this kind of training. It is difficult to reconcile this lack of interest with the managers' own recognition of their shortcomings, which they so freely cited in our meetings. Is this because managerial competence is not seen to be an important factor in the system?

3. Accountability for Personnel Management.

Evaluation of the performance of managers takes very little account of their effectiveness in managing staff. We have noted elsewhere the inadequacies of the present system of performance appraisal and the fact that, even in those instances where managers are appraised, too little emphasis is given to their performance in terms of a well-managed or poorly managed staff.

Except in extreme cases, managers who abuse their delegated staffing authority suffer no restrictions of that power as a consequence. Nor are prudent and responsible managers rewarded in any way. Generally, those who respect the integrity of the personnel management system are not given greater freedom in the exercise of delegated authority than those who do not.

Several recent initiatives of the PSC are designed to reverse or at least alter this pattern. A clearer distinction between the responsibilities of line managers and personnel specialists, set out in instruments of both delegation and audit, will more clearly define the accountability of line managers for their exercise of delegated staffing authority.

Another useful innovation is the PSC's decision to inform all departments how their performance in key management functions compares to that of the public service as a whole. A third initiative, which could be the most potent of them all, is the integration of a report on the department's employment practices with the evaluation of the deputy minister. This will inevitably place pressure on deputy ministers to insist that the same considerations apply to the evaluation of the performances of their subordinate managers.

4. Limitations on Managerial Judgment. Poor personnel management performance by managers is often excused on the grounds that it is unreasonable to expect them to understand, let alone control, a system so gargantuan and complex as that regulating employment processes under the PSEA. There is no doubt that the complexity of the staffing system has been intensified since the Act was passed in 1967. Successive regulations have increased the emphasis on procedural compliance at the expense of sound employment decisions.

The intent of these measures has been laudable, aimed at dealing with such problems as the implementation of bilingualism policies, protection against managerial

abuse, provision of equitable access to opportunities for promotion, and the establishment of orderly staffing procedures during a period of dramatic growth in the public service. One effect of the attempt to use regulations and procedural controls to achieve these sometimes contradictory purposes, however, has been to limit the scope for managerial judgment in the staffing process and to stifle managers' initiatives in the management of their staffs.

5. Philosophy of Personnel Management. We see little evidence of a clear direction to managers concerning the philosophy that should motivate the management of staff. Such a philosophy would reveal the commitment of senior management to a reconciliation of whatever contradictions may exist in the needs of the manager to employ capable staff, of the employee for the prospect of fair treatment in the pursuit of a career, and of the public for assurance that Parliament's intentions concerning public service employment are respected. Such a philosophy would be reflected constantly in the pattern of decisions made by those responsible for the management of the public service.

As matters stand, legislation, regulations, and manuals are value laden, but it is not clear who holds what values as to how people should be managed or that the values

reflect today's reality. Personnel management decisions reached in the absence of a common philosophy reveal no consistent pattern of managerial intention or purpose, and therefore offer no guidance to either managers or employees.

The Basic Dilemma

We find the criticisms we have heard about the calibre of personnel management well founded. Among the views we have heard from employees and their representations are strong undertones of despair. Managers are so unworthy of trust or so lacking in competence, they claim, that the only way to eliminate abuse and inequity is to take all discretion from their hands. We do not agree. It is our conviction that no amount of regulation will by itself provide a remedy.

Looking toward our final recommendations, we would prefer to rely on improved managerial competence to ensure public service employees that their careers will be well managed and their legitimate interests protected. The solution does not lie in the kind of centralized and legalistic protections they tell the committee they have reluctantly concluded are necessary.

The requirement for change goes far beyond the improvement individual managers can achieve on their own initiative. The need is for a major thrust, which will demonstrate the commitment of the management of the public service to the overriding importance of the management of people.

Most intervenors have welcomed the promise of special attention to the competence of members of the senior management group in all their management functions, as outlined in the Commission's brief to this committee. We are encouraged by the initiatives already taken to improve the calibre of management, but we are looking for more. We would welcome views in the second round concerning the following aspects of the problem:

1. Means of instilling a public service-wide philosophy of management which reflects the commitment of senior management to the importance of managing people as well as systems.
2. Means of delegating the management of personnel through line managers, of emphasizing the requirement for them to manage well the people placed in their charge, and of holding them to account for the results.

3. Means of building into the selection criteria precise requirements for managers to demonstrate aptitude and competence in the management of people and personnel systems.
4. Means of infusing the training and development of managers with the attitudes and skills necessary for the effective management of human resources.

We believe adjustments must be made to the scheme of personnel management which will increase the capacity of managers to carry out the programs and manage the people for which they are responsible and, at the same time, preserve the integrity of policies concerning employment in the public service.

SECTION II-D-2

ACCOUNTABILITY

Introduction

The committee heard repeatedly, from managers at all levels in the public service, that persons responsible for the management of human resources should be held accountable and assessed on their performance as managers to the same degree that they are held accountable in the stewardship of financial resources.

Clearly this theme is closely related to the calibre of management but must be viewed in a wider context than that of the individual manager. A clear, well-understood, unbroken line of accountability must be established for all public service managers. Every one of them, regardless of level, must understand their responsibilities, their relationship to others on the management team and their degree of accountability for personnel management actions.

The manager must know whether his personnel specialists are there to direct or to advise him and both parties must have explicit guidelines as to the extent of their mutual involvement and responsibility.

At the most senior levels there must be unequivocal definition of the relationship between central agencies and departments in the matter of delegated authority and the degree of accountability, responsibility or "contractual" obligation it entails.

As the progress report of the Royal Commission on Financial Management and Accountability suggests, it is impossible to divorce the question of overall managerial accountability from that of accountability for personnel management. In fact, public service managers have indicated to us that accountability for personnel management is laden with as many complexities as the problem of accountability for financial management. There is no doubt in our minds that the recommendations of the Lambert Commission, and subsequent government action, must come to grips with the problem of accountability. Without this basic and difficult step, management of the public service's human resources cannot be adequately improved.

Issues and Criticisms

Intervenors who dealt with the question of accountability were primarily looking at the problem from

a management perspective. We were impressed with their philosophy of, "Give us the tools, then we will do the job and be prepared to accept the consequences." They made it plain that they find the present framework for accountability either unclear or simply inoperative.

The need for an agency, reporting to Parliament, being made responsible for monitoring the application of the merit principle in the public service was widely recognized. Concern was expressed, however, as to whether the PSC's report, by itself, could command sufficient attention to the need for policy direction and an on-going review of adherence to merit.

The Public Service Commission is perceived as trying to serve three masters -- Parliament, employees, and management. Parliamentary interest is clearly on behalf of the public, with the PSC responsible for assuring that public servants are selected on the basis of merit. In addition, it is seen to be responsible for protecting the statutory right of public servants to receive fair consideration for vacancies in the federal service. As the agency charged with staffing in the public service, it is also seen to be heavily influenced by the interests of management.

Several intervenors emphasized the dichotomy they perceive in the responsibility of the PSC to protect both employee and management interests. Managers, rightly or wrongly, view the PSC's implementation of the present Act as employee-oriented. Some noted that the unions and the Act seem to work in tandem on behalf of employee interests. They see it as a combination that is hard to beat in their efforts to achieve operational objectives. Employees, on the other hand, feel that the PSC does not act strongly enough to protect them against abuse of the merit system.

The statutory division of responsibility for the personnel function between the PSC and the Treasury Board appeared, to some intervenors, a major obstacle to the achievement of managerial accountability. In their opinion, the division ran counter to the concept of the central agencies' responsibility to Parliament and the government for a unified, consistent, and coherent approach to personnel management. It also unduly complicated departmental accountability for personnel functions delegated by central agencies, since the distinct mandates given to a department were not always apparent.

Departments also complained of the interjection of central agencies between a deputy minister and his minister.

While there was strong recognition of the deputy head's responsibility for managing personnel within both the spirit and the letter of the PSEA, there was concern that his/her accountability for meeting operational objectives might be diluted by the present arrangement. Deputy heads view themselves as being responsible to central agencies for meeting the requirements of instruments of delegation through what they consider an overregulated system of personnel management. They view the central agencies, in their turn, as being accountable to no one for the demands they place on operational departments.

Managers were convinced of their need for strong professional assistance from personnel specialists in order to meet their obligations in managing people. Personnel managers noted that the requirement for deputy ministers to account for the management of all their resources will increase the responsibility of personnel managers to advise and assist in the most effective use of the department's human resources.

Central to the views we heard concerning mechanisms of accountability were issues of management review (audit) and management information. Reliable information concerning

personnel management performance, as measured against key indicators, is deemed an essential requirement for accountability. Managers and personnel specialists alike claim that accurate reports on their organization's performance are prerequisite to improvement. Only sound information can provide a solid basis for their own decisions and for those of others who have a legitimate role in holding them to account for their performance. Although managers complained of both unreliable personnel information systems and an abundance of audits, they stressed the need for sound audit schemes, both internal and independent, as a basis for accountability.

Intervenors shared the conviction that more rigorous accountability is a prerequisite to improved personnel management across the service.

Support for Criticism

It is important to examine the present framework for personnel management accountability. We feel that certain elements warrant the attention of intervenors. They include:

1. *Accountability for Protection of Merit.*

2. *Accountability of Central Agencies for the Service-Wide Personnel Management Function.*

3. *Accountability of Deputy Ministers for Personnel Management within Departments.*

1. Accountability for Protection of Merit. The present structure for accountability relies heavily on the Public Service Commission's annual report, which is tabled in Parliament and receives little attention. In contrast with the Auditor-General, who makes public reports on departmental performance in the area of financial management, the PSC reports and comments publicly on only service-wide performance in adherence to merit. Proposals for improvement included support for a Parliamentary Committee on Personnel Management, greater attention by the Miscellaneous Estimates Committee to the annual report of the PSC, and more precise reporting of departmental performance in the exercise of delegated staffing authority.

The PSC then must rely heavily for protection of merit on its control over the exercise of delegated authority and on its powers to hear appeals and undertake investigations. The fact that instruments of delegation impose "contractual" obligations on departments in certain aspects of personnel

management has important implications. This is the major difference between mechanisms for accountability to Parliament in the personnel and financial management fields, and one which suggests caution in making facile comparisons between the roles of the Auditor-General and the Public Service Commission as agents of Parliament. The PSC has the power to take corrective action when it finds merit has not been served, and to report to Parliament that it has done so. The Auditor-General, on the other hand, reports on performance to Parliament but has no mandate to correct abuse.

Another important aspect of accountability for adherence to merit is the role played by employee representatives. Because of a provision in the Act, which gives priority to public servants for consideration for appointments, public service unions have acted on behalf of employees to police adherence to the Act. The employee representatives support appeals to the PSC and to the courts. Recent PSC initiatives to widen the scope and strengthen the process of consultation with the unions will likely result in a greater voice for employee representatives in ensuring that merit is applied. Employee representatives are now given the opportunity to discuss managers' performance in a pre-audit briefing with PSC officers.

Further PSC initiatives to strengthen control over adherence to the PSEA have focused on the audit process, discussed elsewhere in the working paper. The PSC has declared its clear commitment to act firmly to ensure that departments adhere to the PSEA.

The questions which remained to be answered are these:

Are the present mechanisms of control over departmental exercise of delegated staffing authority, taken in combination with the employee's right of appeal, sufficient to ensure that departments adhere to the provisions of the PSEA?

If not, what further mechanisms are necessary?

2. Accountability of Central Agencies for the Service-Wide Personnel Management Function. The present alignment of responsibility for management of the human resources of the public service is based on separate Acts which assign the central policy leadership and direction to two agencies. Not only is the responsibility divided, but it is divided between an agency which is an integral part of the central machinery of government -- the Treasury Board -- and an agency with substantial independence from the government -- the PSC.

Although the department or agency is the prime locus of personnel management, important dimensions of the personnel function are centralized. These functions are given to departmental authorities, if at all, by way of delegation, rather than being vested in the deputy head as of right. This casts the responsibility of a department head for the management of people as a direct relationship between the deputy head and one or the other of the delegating agencies.

Departments find themselves subjected to conflicting demands emanating from central agencies. The Treasury Board Secretariat and the PSC are seen as being under no compulsion to coordinate their programs, thereby creating confusion as to who is responsible. Examples of divided responsibilities are found in areas of training and development, official languages, manpower planning, and special programs to provide opportunities for minority groups.

Managers advocate greater integration of personnel functions and the control systems associated with them. They illustrate the problem with reference to the differences in the conditions which govern delegation for staffing and for classification. Departments receive delegated authority to take action for varying levels of position or employee. They are subject to different restrictions on the exercise

of delegated authority. They must submit different types of reports, based on different sources of data, which are in turn based on different definitions under different Acts. Their operations are disrupted by auditors with different purposes. It is small wonder, they say, that managers at all levels feel neither the motivation, nor even an obligation to accept accountability for what to them should be a unified function -- the management of staff.

It has been said that nothing less than a major overhaul of the administration of the personnel system will produce effective control. This would include clarification or realignment of central roles, introduction of consistent terminology, and improved use of data for purposes of departmental and central management. Current initiatives in this regard were welcomed. Two examples are plans of the central agencies to test a combined classification and staffing audit, and their current attempt to coordinate the information systems and make more coordinated use of the data collected in the personnel management process.

We consider it essential to hear further views on the following:

What structures will best support departmental accountability for the management of human resources?

3. Accountability of Deputy Ministers for Personnel

Management within Departments. It is worth re-emphasizing that a department's capacity to manage its human resources in accordance with the obligations of personnel management legislation and good practice depends heavily on the personal undertaking of the deputy head to exact accountability of the managers and personnel specialists, and on their capacity and will to accept their respective responsibilities. This depends, in turn, on the approach to sub-delegation within the organization, on the soundness of the personnel support available to the management of the organization, and on the generation and use of information to prevent problems or correct problems which may arise.

Over ninety per cent of appointments are made by departments under delegated authority. The pattern of sub-delegation in departments varies. In some cases line managers are given the authority, in others the authority is delegated through personnel specialists. The Public Service Commission has recently taken an approach to sub-delegation of staffing authority which parallels the pattern of sub-delegation of financial management authority. The concept, with respect to personnel management, will be

based on the line manager's accountability for the selection of the appropriate candidate, with the certified staffing officer accountable for adherence to the appropriate procedures.

This approach recognizes accountability for two elements in staffing - the process and the actual selection. It should assist in clarifying the respective roles and accountability of managers and personnel specialists. There is recognition that more rigorous accountability of managers for their own and their subordinates' performance will put pressure on personnel managers to play a crucial role in satisfying accountability requirements. The personnel function must become less of a mystical rite performed by experts. Personnel specialists will need to develop programs with practical benefits and to monitor their costs closely. Managers will depend on their support in the development of effective employee appraisal programs, the selection, promotion, and career development of staff, the termination of employment in the case of poor performers, and the provision of equal opportunities for groups or individuals who are judged to be in a disadvantaged position. The introduction of prerequisite training for responsible

staffing officers is a useful step in increasing the competence of personnel specialists to accept this crucial role.

It is through the balance of controls selected, and through managerial commitment to the integrity of the staffing system, that departments will be able to correct their own practice in the exercise of delegated authority. The Public Service Commission audit cycle has recently been changed to ensure that an audit is conducted six months prior to the renewal date for a department's instrument of delegation. In this way, the deputy minister may plan remedial action for problems identified. The results of both the audit and problem solving can then influence decisions concerning renewal of delegation and the conditions under which the renewal will take place.

Coordination of internal audit information with that resulting from external audit should facilitate accountability within a department. A manager with a complete bank of audit information within one report should be able to pinpoint problem areas and better exact accountability from subordinates. Most departments are compelled to maintain their own personnel information

systems, in addition to devoting resources to feeding at least three central data banks. In spite of this effort, reliable data is scarce. Yet, such information is vital to a department's ability to account for its personnel management activities and to that department's success in planning for effective and efficient management of its personnel.

Conclusion

A strong and well understood line of accountability is vital if managers are to be expected to make full use of their human resources. The line must be drawn, setting out responsibility for management, for advice and for audit. A clear distinction between these elements is necessary to avoid the confusion of either overlapping mandates or policy vacuums.

SECTION II-D-3

ROLES

Introduction

The distribution of responsibility for personnel management amongst central agencies has a major impact on the ability of the public service to do its job. It is an issue that will continue to generate controversy until it is finally resolved by government decision, following the present series of reviews of legislation related to the public service.

The special committee's terms of reference allow it to examine the roles of those concerned with personnel management and the merit principle in the federal public service. We did not address the subject of roles in isolation. Rather, a number of intervenors questioned whether effective personnel management was possible within the present structure. In a word, they seriously challenge the validity of the present distribution of responsibilities. The views of intervenors on these questions are discussed in this section.

There is no denying the strength of the conviction held by some intervenors that the present institutional framework is the main obstacle to effective management of

human resources in the public service. They do not believe that the situation will be improved unless and until certain inherent contradictions have been removed.

Among those who have presented cogent arguments to that effect are former heads and senior officials of central agencies. Some of them had a part in developing the existing framework, but now argue forcefully for change. They attribute the problem to an inappropriate distribution of roles and responsibilities among the central agencies. They find that the present institutional framework militates against the very objectives it is supposed to achieve -- namely the effective management of people, effective representation of employee interests, and effective protection of the merit principle.

A review of recent history raises questions concerning the utility of a review committee's examination of the institutional framework for personnel management. It has been done before, to little effect.

Previous commissions -- the Royal Commission on Technical and Professional Service (1929), the Royal Commission on Administrative Classification (1946), and the Royal Commission on Government Organization (1963)

recognized the danger of fragmenting central responsibility for the personnel function and the potential for conflict among the interests served by the PSC, but subsequent legislation failed to deal with their recommendations in these areas.

It is for historians to speculate why this should have been so. Was it because the assumptions of those commissions were considered invalid or inappropriate? Was it due to the need for compromise to gain support for the implementation of their other recommendations? Or did the government of the day consider such changes not to be in the interests of the Canadian public?

This special committee, however, cannot afford the luxury of speculation. It must focus on the forces now in play and conclude either that today's personnel management institutions have the capacity to direct the public service of the 1980's or that they are unlikely to be adequate to the task.

Our purpose in raising the question of roles is to invite a serious examination of the arguments we have heard. In our final report, we will have to confront the criticisms that have been raised about the present distribution

of roles. Our deliberations can be enhanced by the wisdom of those who offer us the benefits of their experience with the matters at hand. These include the allocation of responsibility for protection of the public interest in the application of the merit principle, the management of human resources in the public service, and the protection of the career interests of public servants.

Issues and Criticisms

Three vital roles are built into the framework for personnel management in the federal public service. They are the protection of merit, the management of the public's resources, and the protection of employee rights.

1. Protection of Merit. Parliament has charged an independent commission to act on its behalf to ensure that appointments to the public service are based on merit, rather than on political patronage. The PSC exercises this role largely through controls over the exercise of delegated staffing authority by departments and through the appeal process.

With few exceptions, intervenors appearing before the committee considered that political patronage would

reappear if such an independent agency did not exist as guardian of the merit principle. With respect to administrative patronage, in fact, representations made to us urged that even stronger controls be set up to protect employees against abuses of the merit principle, particularly with respect to appointments made from within the public service. Opinion was divided as to whether the Commission's present powers were sufficiently strong but insufficiently exercised, or whether increased powers are necessary.

Some intervenors concluded that the appropriate mechanism to assure control over merit would be a ruthless audit of appointments. Toward this end, some proposed that legislative authority for appointments, now vested in the PSC, be transferred to departments, subject to an independent audit of adherence to merit.

2. Management -- Involvement of the PSC. It is clear that most intervenors believe in the role of an independent agency of Parliament to protect merit.

Assertions have been made that the PSC's assumption of elements of the management role and its appearance of trying to serve two masters may compromise its independence and, therefore, its effectiveness. As guardian of the merit principle, the PSC is responsible only to Parliament, but

intervenors have ascribed some degree of management responsibility to all its operational functions. Its authority for staffing and training is seen to be management-oriented, because selection, training, promotion, demotion, or release are management functions. It is management that normally has the responsibility for selection, deployment, and development of senior managers, and intervenors claim that the Commission's direct involvement in the appointment, development, and career progression of senior managers tends to ally it with the employer.

They note that the PSC sets staffing policy, runs a staffing program, evaluates that program, redesigns systems, carries out audits, and reviews individual staffing decisions in a quasi-judicial forum. They assert that no one with operational responsibilities can be expected to audit or inspect those same responsibilities independently.

3. Disunity of Central Management of the Personnel Function. An alleged lack of unity in the central personnel management of government employees was the subject of strong criticism. Intervenors pointed to the involvement of three central agencies -- the Treasury Board Secretariat, the Privy Council Office, and the PSC -- as one reason for uncoordinated and sometimes incompatible policies. Judged on the principle

that responsibility for an operation or function should be clear, undivided, and complete, intervenors argue that fragmentation of central policy leadership and direction of the personnel function is a major flaw in the present system.

From the departmental viewpoint, this division simply does not permit effective decision-making at the centre, which is essential to dealing with personnel management issues. Departments complain of overlap between or within central agencies, resulting in either extremely long delays in the resolution of a problem or a complete absence of direction for a program area.

Human resource management in a department involves classification, staffing, training, official languages, and pay and benefits. Yet the central agency interest in these functions is divided among different jurisdictions.

Accomplishments in the field of human resource management have been described as "almost a miracle of co-operation -- achieved at a price". Other views credit them to the dynamic tension existing between central agencies and to the strength of the PSC, free from the pressure of political expediency.

4. Incompatibilities in Present Legislation

Concerning Management and Employee Rights. Some intervenors suggest that the several statutes governing personnel administration are incompatible with one another. This intensifies the contradictions implicit in the management role.

Management prerogatives and rights are established in the Financial Administration Act and the Public Service Staff Relations Act. But nowhere, say managers is there explicit recognition of managerial rights in matters which fall under the Public Service Employment Act. The PSC has acknowledged this and proposed legislation which would enshrine the principles of efficiency and effectiveness, and sensitivity and responsiveness, as criteria for management personnel decisions. These principles, the PSC feels, would bring greater recognition of managerial requirements than now exist in the public service. The PSC initiative has been welcomed by some as the basis for a realignment of responsibilities among central agencies.

The introduction of collective bargaining in 1967, some intervenors say, clarified the roles of management and employee representatives with respect to bargainable matters. They contrast this with the present situation

dictated by the Public Service Employment Act. This measure is seen as benevolent, guaranteeing quite unusual rights to public servants with respect to their career aspirations. Many intervenors are convinced that the PSC, because of its concern for equitable treatment of public servants, is, and should continue to be, the primary agent acting on behalf of employee interests. They recognize, however, that bargaining agents have been quick to accept their role in protecting those employee interests.

5. Collective Bargaining or Consultation. Most bargaining agents, and even some senior managers, recognize that, in a regime of collective bargaining, the extension of bargaining to include matters which now fall under the PSEA would result in the delineation of clear and distinct management and employee roles. Employee representatives believe that the unions should act exclusively, or at least primarily, on behalf of employee interests. Those who hold this view consider that collective bargaining, combined with the discipline of the grievance/adjudication process, provides the most appropriate mechanism for managers and employees to declare and reconcile their interests in employment practices.

The opposing view is that, while unions have a powerful, and even a constraining, role to play, they are

not responsible for efficient management of the public service. If employment practices were introduced into the dynamics of collective bargaining, proponents of this viewpoint say, the result might be an expedient tradeoff which would compromise the integrity of the merit principle. Even those who argue strongly for collective bargaining recognize the need for some protective mechanisms against, for example, balkanization of the public service into occupational groups whose selection standards bar all but members of that group.

Short of collective bargaining, many intervenors have advocated strengthened processes of consultation on those matters which fall under the PSEA. Others insist that a prerequisite to either collective bargaining or consultation would be a clear understanding of how disputes would be resolved and which agencies would have what responsibilities. Most intervenors feel that an agent of Parliament would not be able to act on behalf of management in a collective bargaining framework. Some have, however, suggested that the agency charged with protection of merit might also assume the role of resolving disputes in a process of consultation or bargaining between the employer and employee representatives on matters which now fall under the PSEA. Still others favour the Public Service Staff Relations Board resolving such disputes.

A strong plea for urgent, but reasoned, attention to contradictions in the present alignment of personnel management responsibilities is woven through the views we have heard.

6. Looking to the Future. Our attention has been focused on forces at play in 1978 which could not have been foreseen when the present legislative framework for personnel management was enacted in 1967. If legislation resulting from our work is to stand the test of the 1980's, it must be based on a sound projection of the social environment that will exist in Canada, and in the public service, over the next decade. The agencies charged with the roles we have been discussing will need to respond to these environmental forces.

As for the protection of merit, we have heard observations that declining public confidence in public institutions may force renewed vigour into the selection, development, and release, if necessary, of public servants. Only if government employees render competent and responsive service will the public's confidence in them be restored. Staffing practices must produce competent and responsive

employees and allow the separation of those who are incompetent and unresponsive.

In a period of high unemployment, jobs in the public service will likely become increasingly attractive. This, in turn, will likely produce stronger public pressure to ensure that the public service recruiting doors are open. Members of groups previously excluded from public service employment will insist that the doors be open to them as well. They can expect to receive strong vocal support from advocates of their interests. High unemployment will likely strengthen the concern of employee representatives for the security of their members and increase the pressure to open jobs only to those already employed in the public service.

Public service management will likely continue to feel the bite of restraint and an increased need to demonstrate to the public that they are not wasting public resources. Managerial energies will more than ever have to be directed in such a way that managers obtain the full performance of each member of their staff.

Employee representatives will increasingly seek a larger voice in decisions which they see affecting

employees' working lives. They will press for influence through formal and informal mechanisms and have already shown themselves quite willing to bring the treatment of public employees into the political arena.

Bodies whose role is the protection of individual rights are likely to have increasing impact on employment practices. Ombudsmen, human rights tribunals, and the courts are among the groups we have in mind. Unless personnel management and related systems are themselves able to meet the growing expectations and rights of individuals, then dissatisfied employees will increasingly seek redress through judicial or quasi-judicial bodies, the result being increasing paralysis of personnel management. Only sound managerial judgment that is seen to be fair will stave off the jurisprudence which could gain a stranglehold on the staffing system.

Proposals

It is difficult to avoid drawing implications for structure from an examination of roles. While a few intervenors have supported the status quo, most have concluded that realignment of the central agency roles is both essential and urgent. It is noteworthy that there is a degree of consistency among the proposals we have heard.

Those who believe change is essential stress the need for bold, unified central policy direction of the personnel function. They also urge separation of the operational and staffing processes from the review function related to protection of the merit principle. To this end, they propose a central personnel management agency reporting to Treasury Board, perhaps analogous to the office of the Comptroller-General. The PSC would then be responsible for protection of merit, playing a role analogous to that of the Auditor-General.

For the management agency, intervenors favour a structure which would integrate the functions of resource allocation, financial management, and personnel management. The proposal recognizes the heavy demands already placed on Treasury Board and its senior officials. There are those who argue that the differences between personnel and financial considerations are such that they should not be associated. They fear that resource allocation and financial management will always have priority attention in the Treasury Board itself. Others, however, consider the need for integration so pressing as to warrant careful study of how such a model might work. They claim the further advantage of a central management agency would be the single voice of the employer when dealing with employee

representatives. This unity of management would be invaluable, they feel, whether or not there were an extension of the matters subject to collective bargaining.

Intervenors have proposed various reporting relationships, depending on the weight they attach to political or bureaucratic resolution of the three management functions. A Secretary could report, for instance, to the President of the Treasury Board, who would be supported by a Vice-President, Personnel and a Vice-President, Finance, along the lines of Ministers of State who attend to functions that fall under another minister's jurisdiction. The Secretary, in this pattern, might reserve resource allocation concerns to himself, with Deputy Secretaries for both personnel and financial management. A variation of this proposal would create a Comptroller-General of Personnel, reporting directly to the Treasury Board. Either pattern would have to be based on a clear understanding of the central personnel management agency's role vis-à-vis the accountability of a deputy minister for the management of a department.

Whatever the organizational model, the essence of the concept would be the integration of central direction for all human resource management concerns so that they

would command priority in political and bureaucratic management deliberations. We have heard no support for a Minister of the Public Service, unless the portfolio were directly integrated with the resource allocation concerns of the Treasury Board ministers.

Creation of a central personnel management agency would require the transfer away from the PSC of all operational functions. Opinions varied as to the advisability of transferring initial recruiting responsibility from the agency charged with protection of merit. Intervenors observed that the point of entry to the public service, particularly at senior levels, is most susceptible to political intervention. They also point to the need for a service-wide approach to the recruiting function and for projection of a strong corporate image to prospective public servants.

Freed of most or all of its current operational responsibility, the PSC would then be better able to discharge the role of a strong and independent guardian of merit, on behalf of Parliament, in a far more visible manner.

Those who proposed this approach generally favoured legislation that would enshrine the principles which should govern personnel management. They foresaw that the Commission would continue to have heavy responsibilities. Through its audit and appeal processes, it would ensure that departmental policies and practices were consistent with the law and with human resource management policies of the central agency and, indeed, that central policies were in compliance with the law. The effect, they believed, would be to enhance the mechanisms by which the management of the public service is held accountable.

Others who advocated a similar realignment of responsibilities would limit the Commission's scope of interest to application of the merit principle alone, rather than to the overall management of human resources.

This, then, is the case for change. We invite the attention of intervenors to the arguments presented above. The discussion will have to consider the disadvantages as well as the merits claimed for such a structural change. Even with change, however, the degree to which problems will be overcome will depend on the perception of those concerned with carrying it out.

The committee would welcome further representations on the following questions:

What problems in the present allocation of central roles with respect to human resource management are of a nature and of sufficient gravity to warrant realignment of roles?

What conditions may exist over the next decade which would require public service personnel management institutions different from those of today?

What changes will be necessary to respond to such problems or pressures?

What disadvantages would result from proposed changes?

How could change be introduced so as to minimize problems and foster an understanding and acceptance of managers' responsibilities in the management of people?

Conclusion

There is undeniable demand for unified central management of the personnel function and for a strong protector of merit. Those who are pressing for change cannot afford the luxury of frivolous proposals. It remains for intervenors to examine whether, or how, changes in roles could result in enhanced protection of the public

interest in the application of the merit principle, improved management of human resources, and reliable protection of the interests of public servants.

S E C T I O N III

CURRENT INITIATIVES

SECTION III

CURRENT INITIATIVES

Introduction

Personnel management in the public service has never remained static. We recognize that the special committee has been but one recent outgrowth of the preoccupation with improvement on the part of those most involved in the personnel management of the public service. Many of the criticisms received by the special committee have already prompted positive actions and improvement. However, the mere fact that attention has been given and that systems are in place to solve problems is only a first step towards solution.

The purpose of this section of the working paper is to provide a catalogue of some of the current initiatives which hold promise of remedying some of the substantial problems which intervenors addressed during our hearings. Both employees and managers may be encouraged by this response from the agencies concerned.

Initiatives

1. Consultation. There is now a Joint Consultation

Committee established by the Public Service Commission to deal with questions related to matters under the Public Service Employment Act. The committee, made up of heads of bargaining agents, deputy ministers, and the Public Service Commissioners, has established its terms of reference and initiated discussion on issues of common concern. Bargaining agents are now involved at the very first step toward changes in selection standards. Prior to a departmental audit, bargaining agents have the opportunity to provide information concerning their experience with staffing in that department. All concerned have high stakes in the Joint Consultation Committee, and its potential to achieve a level of influence in staffing matters commensurate with that of the National Joint Council in other fields.

2. Appeals. The Public Service Commission has been concerned with the perception that appeals are focused on technicalities, and has directed the attention of appeal boards to the processes of selection. For instance, recent appeals have been sustained on the grounds that the questions asked were not appropriate to judge whether candidates possessed the rated qualifications.

The Commission has strengthened contact with managers, employees, and bargaining agents in an effort

to ensure that the appeal process is well understood, and to hear proposals for improvement. There is now a registrar common to all Public Service Commission redress systems. A recent Public Service Commission bulletin strongly encourages all managers and staffing officers to disclose to unsuccessful candidates the reasons for the selection board decision.

3. Control Mechanisms. The focus of the Public Service Commission's approach to audit has been shifted to the quality of departmental machinery set up to manage the staffing function. Renewal of instruments of delegation is tied directly to the results of bi-annual audits, with the renewal of delegation depending on the results of the audit. Sub-delegation patterns within departments are reviewed during the audit, and sub-delegation to line managers is increasingly subject to the availability of the services of certified staffing officers. The Public Service Commission has strengthened its personnel support to departments by inaugurating a certification program for staffing officers, and by providing monitoring and consulting services from its Staffing Branch. In addition, the Public Service Commission claims that its investigation function is steadily gaining strength as an instrument for dealing with employee complaints. Deputy Ministers receive a semi-annual report of their departments' performance

compared to service-wide performance against key performance indicators.

4. Management Group. As mentioned elsewhere, intervenors have welcomed the promise that special attention will be paid to the competence of members of the senior management group, particularly with respect to their ability to manage people. Forthcoming action of the central agencies to strengthen selection criteria and processes, and training, and to place responsibility for a departmental management team more clearly in the hands of the deputy minister will be an indication of the extent to which that promise is likely to be fulfilled.

5. Layoffs. Based on clear evidence that departments have not been meeting their obligations with respect to employment of those with statutory priorities, particularly those on layoff status, the Public Service Commission has instituted a mandatory clearance procedure. Departments will no longer have the freedom to fill positions without first considering employees who have statutory priority, and appointing those who are qualified.

The Canada Employment and Immigration Commission has also joined with the Public Service Commission to launch

a concerted effort to ensure that public servants who are laid off have access to the full training, placement, and relocation resources of the Canada Employment and Immigration Commission.

6. Advertising Vacant Positions. The Public Service Commission has introduced an Automated Notice System, which will be used to transmit advertisements by facsimile across the country. This replaces the use of Data Stream to identify candidates for position below the level of Program Manager 6 or equivalent.

7. Recruiting through Canada Employment Centres. Employment and Immigration Canada and the Public Service Commission are working together to improve the recruitment and referral service of the Canada Employment Centres. A recent audit (September 1978) of eighteen centres across Canada which included a review of all systems, procedures, records, and interviews with two user departments in each location, showed that approximately 80% of departmental representatives are satisfied with the quality of referrals. The average time between a departmental request and the beginning of referrals is approximately two and a half working days, and the speed of service for both regular and urgent orders was judged to be satisfactory more than 90% of the time.

Employment and Immigration Canada make the point that they refer both employed and unemployed people for public service vacancies. They have the capacity and are willing to reach out by advertising to candidates who are not registered with them, using free radio and television public service time, or paid advertising, which may be on a shared cost basis.

Employment and Immigration Canada and the PSC advise that they are strengthening contact with each other, and with client departments at local, regional, and headquarters levels.

8. Quality of Working Life. Three experiments, under joint employer-bargaining agent sponsorship, have been designed to give employees a share in the responsibility for decisions concerning the operation of their working units. Pilot projects in National Revenue (Taxation), Secretary of State, and Statistics Canada have shown favourable results. However, further extension of the concept will depend on initiatives of both management and employees in other units of the public service, and on the capacity of personnel management systems to provide the required flexibility. Changes in the design of work or patterns of supervision may need, for instance, an approach to classification

or staffing which is not possible within present systems.

9. Other Plans of the Central Agencies. The central agencies are now working on proposals for an appraisal policy and for integration of central administrative and information systems related to appointments. The Treasury Board Secretariat, in consultation with the Public Service Alliance of Canada, is conducting a study to determine the need for an apprenticeship training plan in the public service. We will report on further action in these areas in our final report.

Conclusion

These are some of the service-wide initiatives which deserve support to ensure that their potential to deal effectively with the causes of the criticisms we have heard are fully realized. It would be useful to hear the views of intervenors concerning the potential of these initiatives to solve the problems. We would be happy if our final report were to consist primarily of a description of solutions already in place, rather than a long list of recommendations on matters for which those responsible for personnel management have not yet found solutions.

S E C T I O N IV

CONCLUSION

SECTION IV

CONCLUSION

The committee was impressed with the serious commitment of both management and employees to serve the public well. Our recommendations must take into consideration this commitment to competence and service demonstrated by so many dedicated public servants.

We would like to thank all those who have contributed to our study. Any expertise we may have acquired is a result of their interest and knowledge.

We now move from a position of hearing and synthesizing views to the more difficult one of making recommendations for improvement. The proposals heard during the second round will be important to our recommendations. The quality and acceptance of the recommendations will depend largely on the input of the principal participants: the central agencies, the departments, and the bargaining agents. Their response must be based not only on their own needs but on the views of others. We can only recommend change; the momentum to enact change must be supplied by them.

APPENDIX A-1

Terms of Reference

S T A T E M E N T

on the

P U B L I C S E R V I C E E M P L O Y M E N T
A C T

The Honourable Allan J. MacEachen

February 4, 1977

Mr. Speaker:

I would like to inform the House of recent developments on two matters respecting appointment and employment practices in the public service. You will recall our discussion here on December 9 and 10, 1976 concerning allegations of improper staffing actions. I have been advised that the Public Service Commission has taken the matter in hand and that the Chairman of the Commission has made a public statement on the matter. I would like to table his response and, on behalf of the Prime Minister, indicate his support of it.

I firmly believe that our federal public service ranks very high on the list of professional public services in the Western democratic countries. We have been fortunate indeed to attract the large number of qualified public servants we have in the service today and their dedication and loyalty is to be commended.

As members of this House know, it has been nearly 10 years since the Public Service Employment Act and the Public Service Staff Relations Act and the Financial Administration Act have been passed by this House. In recognition of the need for a review of this situation the Government asked Mr. Finkelman to undertake an examination of the Public Service Staff Relations Act and its administration and to make recommendations having regard to the experience gained since that Act came into force on how it should be amended or revised to meet adequately the needs of the employer and the employee in the Public Service and the employee organizations that represent them, and to serve the interests of the public. That report was the subject of consideration by a special joint committee of the Senate and the House of Commons on employer and employee relations.

The Government intends to introduce amendments to the Public Service Staff Relations Act based on the recommendations of the Finkelman and the Parliamentary Reports. In this context, it will also introduce necessary amendments to the Public Service Employment Act and the Financial Administration Act.

Secondly, as announced by my predecessor, Mr. Mitchell Sharp in May, 1976 the Government will establish a review body to examine staffing, appointments and training in the public service. I am pleased to announce that, following consultation with the parties concerned, the terms of reference of a special committee on the Review of Personnel Management and the Merit Principle have been agreed to. This committee will examine all matters pertaining to the Public Service Employment Act with particular reference to:

- (a) the merit principle and its application as it relates to:
 - Initial appointment, internal appointment and promotion.
 - The eligibility of public servants to participate in competitions.
- (b) access of employees with respect to training;
- (c) the process of appeal and redress relating to appointment, promotion and demotion;
- (d) the scope of collective bargaining as it applies to (a) (b) and (c) above;
- (e) operation and assistance in the operation of training and development programs;
- (f) the fostering of improved employer-employee relations;
- (g) a more efficient personnel management system taking into account operational needs of Departments and the need to provide an efficient and effective service to the public.

At the request of the unions and upon the mutual agreement of all the affected parties, the first phase of the review will involve a separate examination by each side of the above-mentioned issues. Following a suitable period for these two exercises, the Special Committee, composed of a Chairman and a representative of the government and a representative chosen by the unions, will begin meeting,

leading to the preparation of a public report. An announcement of the membership of the Special Committee will be made at a later date. Where it is possible to reach agreement, recommendations will be made to the government; in areas where no agreement is possible, the Chairman will identify the different points of view and will be free to make his opinion known as to what options should be considered. During the deliberations of the committee, there will be consultation between the government and the unions and between other interested individuals and organizations, particularly the Public Service Commission. While the committee will be examining roles and relationships it will not be asked to make recommendations concerning organizational structures.

APPENDIX A-2

S T A T E M E N T
on the
SPECIAL COMMITTEE ON THE REVIEW
of
PERSONNEL MANAGEMENT
and the
MERIT PRINCIPLE IN THE PUBLIC SERVICE

The Honourable Allan J. MacEachen

December 29, 1977

The Honourable Allan J. MacEachen today announced the appointment of Mr. Guy D'Avignon as Chairman of the Special Committee on the Review of Personnel Management and the Merit Principle in the Public Service.

The establishment of the Special Committee was announced in the House of Commons on February 4, 1977, by Mr. MacEachen, at which time he stated that the terms of reference of the Special Committee had been agreed to following consultation with the parties concerned. The Special Committee will examine all matters pertaining to the Public Service Employment Act with particular reference to:

- (a) the merit principle and its application as it relates to:
 - initial appointment, internal appointment and promotion,
 - the eligibility of public servants to participate in competitions;
- (b) access of employees with respect to training;
- (c) the process of appeal and redress relating to appointment, promotion and demotion;
- (d) the scope of collective bargaining as it applies to (a), (b), and (c) above;
- (e) operation and assistance in the operation of training and development programs;
- (f) the fostering of improved employer-employee relations;
- (g) a more efficient personnel management system taking into account operational needs of Departments and the need to provide an efficient and effective service to the public.

Mr. MacEachen stated the desire of the Government, in the interests of ensuring the continuing excellence of the Canadian Public Service, that the Special Committee operate in such a manner that a full airing will be given to issues of concern and that the views of all interested parties will be considered. To this end Deputy Ministers, other senior public servants and staff associations will be encouraged to submit their views to the Special Committee. As indicated in Mr. MacEachen's statement in February, the Special Committee will now begin its consideration of the issues, leading to the preparation of a report for consideration by the Government. The report is expected to be ready about the end of 1978.

Following Mr. MacEachen's statement on February 4, 1977, that the first phase of the review was to involve a separate examination by each side of the issues involved, to be followed, after a suitable period, by the meeting of the Special Committee, composed of a Chairman and a representative of the Government and a representative of the Unions, both sides have been carrying out their independent examinations of the issues. Mr. Bruce Brittain, the Deputy Minister of Veterans Affairs, is to be the Official Side Member of the Special Committee and Mr. Desmond S. Davidge, of the International Brotherhood of Electrical Workers, will serve as the Staff Side Member.

The Chairman of the Special Committee, Mr. D'Avignon, studied at McGill University. From 1947 to 1956 he was employed as Assistant General Production Manager and as Plant Manager with Belding-Corticelli Ltd. From 1956 to 1958 he was a Senior Industrial Engineer with Canadian Westinghouse. In 1958 he joined the Public Service as a Management Analyst with the Civil Service Commission. In 1963, he was appointed as Chief of the Work Study Division of the Unemployment Insurance Commission. From 1964 to 1966, Mr. D'Avignon was employed as Head of the Organization and Methods Group in the Personnel Department of the City of Montreal.

Mr. D'Avignon rejoined the federal Public Service in 1966 and served until 1970 in the positions of Programme Supervisor, Director of Planning and Director of Planning/Assistant Director of the Public Service Commission Staffing Branch.

Mr. D'Avignon was appointed Assistant Deputy Minister of Finance and Administration in the Department of Industry, Trade and Commerce in 1971 and became Director-General of Information Canada in 1972. On April 1, 1976 he was appointed as a Special Advisor in the Privy Council Office and he assumed his most recent position as Chairman of the Anti-Dumping Tribunal in June 1976.

APPENDIX B

Representation

With a view to securing a full appreciation of the nature of issues relating to its terms of reference, the special committee in February 1978 sent invitations to a large number of individuals and organizations. Members of the Senate and House of Commons received invitations. Views were solicited from central agencies, departments and bargaining agents. In addition crown corporations, commissions and minority organizations were invited to respond. Provincial government Treasury Boards and Civil Service Commissions along with their respective bargaining agents also received invitations. By placing advertisements in Canadian newspapers and by utilizing the PSC's poster distribution system, people in the public service and in the private sector were requested to submit written views. As a result of this approach, the committee saw over 1500 individuals and received 351 briefs over a six month period (March - August 1978). The following list shows the distribution of briefs by the type of intervenor:

<u>Intervenor</u>	<u>Number of Briefs</u>
Central agencies (The Treasury Board and The Public Service Commission)	2
Deputy ministers (heads of departments, crown corporations and agencies, and commissions)	15
Federal bargaining agents	10
Members of Parliament	2
Professional and women's organizations and associations	11
Provincial bargaining agents	6
Provincial Civil Service Commissions and Treasury Boards	4
Public servants and interested individuals	301

In order to assure that the briefs would deal with issues in an open and frank way, it was widely emphasized that all submissions made to the special committee would be regarded with the utmost confidence. Some briefs, however, were made public by their respective intervenors, notably the Public Service Commission's brief and briefs from the following federal bargaining agents:

Canadian Air Traffic Control
Association Incorporated

Canadian Postmasters and
Assistants Association

Economists, Sociologists, and
Statisticians Association

Federal Government Dockyards
Trades and Labour Council (East)

Federal Government Dockyards
Trades and Labour Council (West)

Letter Carriers Union of Canada

Local 2228, International Brotherhood
of Electrical Workers

Professional Association of
Foreign Service Officers

Professional Institute of the
Public Service of Canada

Public Service Alliance of Canada

In the briefs submitted by individuals, a wide regional representation and a broad cross-section of occupational categories are well reflected. Senior executives, professionals, clerical staff and others voiced their personal opinions with respect to the merit principle and personnel management from hamlets and cities from coast to coast and into the Canadian Arctic - from La Scie, White Bay, Newfoundland to Chilliwack, British Columbia.

The National Capital Region accounted for approximately 28% of the total submissions while other regions tallied the following representation: 20% from

Ontario, 10% from Québec, 15% each from the Prairies and the Maritimes, 10% from British Columbia, and 2% from the Yukon and Northwest Territories.

Most submissions covered the full range of the special committee's terms of reference, while the others focused more closely on specific topics of greatest concern to them. A few individuals submitted case studies complete with voluminous documentation highlighting purported personal injustices resulting from entanglements with the staffing system. The extent of the consensus that emerged from submissions was quite remarkable and unexpected.

From March to July 1978, the special committee travelled from coast to coast to meet with federal public servants and other interested parties. The special committee thus hoped not only to gain a better understanding of regional forces at play within the federal public service but also to quickly gather a reliable cross-section of critical opinion.

In an effort to hear a full range of views and recommendations, the committee conducted open meetings with federal public servants in all cities

visited. These meetings proved valuable in ascertaining the individual concerns of employees. Attendance at these meetings ranged from a low of 4 to as many as 125 people.

The special committee also invited a cross-section of public service managers in eighteen centres across Canada. Approximately two hundred and fifty managers, chosen to represent various levels, functions, and departments in the federal public service, took part in syndicate discussions with the committee on many aspects of major issues relevant to personnel management. These syndicates proved especially useful, in that they gave the committee a managerial perspective to the problems and issues which could not be expected at the employee meetings.

These exchanges of views with intervenors, coupled with the written representations, present a sobering picture of personnel management in the public service.

APPENDIX C
CONSOLIDATION OF QUESTIONS

For the convenience of those who are preparing a response to the questions posed by the committee, this appendix will consolidate the questions which are raised throughout the working paper. The questions are arranged by topic. Each topic is cross-referenced to the page numbers where intervenors will find discussion of the representation related to it.

SECTION II-B-1

MERIT

Definition

(pp. 17-19)

1. Should merit be defined in legislation?
2. If so, how should it be defined?

The Merit System

(pp. 19-21)

3. What changes are necessary to assure employees that they are protected against bureaucratic patronage? Is it inevitable that a system to provide such protection be as complex, as rigid, and as time-consuming as the procedures currently being followed? If not, what changes would reduce the complexities, rigidities, and delays associated with the present system?

Wider Perspectives

(pp. 21-26)

4. Should new legislation incorporate the principles of efficiency and effectiveness, sensitivity and responsiveness, equality of access to the public service, and equity, in addition to the principle of merit?

5. If so, what would be the effect on employment practices as they exist under the PSEA?

6. Alternatively, is merit the sole principle to be defined?

7. Does it implicitly, or should it explicitly include the other four proposed principles?

8. If the concept of merit implicitly incorporates the other four principles, how can these concepts be brought into play in the staffing process?

9. Can policies, guidelines, or regulations relating to the five principles be effective, or even enforceable, if not enshrined in legislation?

10. Should the concept of merit be enlarged to allow assessment of candidates in terms of their potential for future development as well as their ability to meet the requirements of the immediate vacancy?

11. If so, what considerations would need to be added to the present criteria established for assessment of candidates?

SECTION II-B-2

POLITICAL PARTICIPATION

Basic Rights

(pp. 30-34)

12. Should any public servant be allowed to participate in the political process?

Scope

(pp. 30-32,
37-38)

13. Should the right to participate be limited in scope?

14. If so, what activities should be allowed?

Position and Function

(pp. 30-32,
34-37)

15. Should the right to take part in political activity be related to the employee's position and function in the public service?

16. If so, which functions should be excluded?

Jurisdiction

(pp. 30-32,
38-39)

17. Should the right to participate be limited according to whether the political field is municipal, provincial, territorial, or federal?

SECTION II-B-3-a

Selection Standards and Their Use in the Selection Process

Selection Factors

(pp. 41-47)

18. What requirements (knowledge, ability, potential for effectiveness, seniority, experience, or others) should be rated to ensure the selection of the most qualified candidate?

19. Should seniority and/or experience be a rated factor?

20. If so, how should they be rated and to which occupational groups should they apply?

Weighting of Factors

(pp. 41-49,
47-50)

21. Should the selection factor weighting be predetermined in the selection standards?

22. If so, with what precision?

23. If so, who should determine the weighting?

24. If not, when should the weight be determined?

25. Should the selection board determine the weight of factors and, if so, within what limits?

Responsibility for Selection Standards

(pp. 41-44,
50-53)

26. Should selection standards be made subject to consultation or to collective bargaining?
27. If the latter, what parties should enter into the negotiations and what process of negotiation and mechanism of final decision making should be used?
28. If not, what structure can be developed that will recognize the concern of employee representatives?

SECTION II-B-3-b

Access to Competitions and Screening

Eligibility, Basic Qualifications and Screening

(pp. 55-68)

29. Should eligibility to be considered in competitions continue to be based on the salary or occupational group and level of candidates' positions?

30. What measures can be taken to make statements of basic qualifications more precise and relevant?

31. What means can be found to strengthen the screening process as an instrument to distinguish between candidates who should and should not be considered in the final selection stage?

Field of Search

(pp. 55-61,
68-71)

32. By what means can area-of-competition guidelines create access to the largest number of potential candidates, within the limitations of a reasonable period of search, while still requiring a reasonable geographic proximity of candidates to the vacant position?

33. Should area-of-competition guidelines be subject to either consultation or collective bargaining?

34. If bargained, what parties should take part and what means used to reach a final decision?

Access to Closed Competitions of RCMP and DND

(pp. 55-61,
71-72)

35. Should members of the Armed Forces and the RCMP be eligible to compete in closed competitions?

Advertising vs Inventories

(pp. 55-61,
73-77)

36. Under what circumstances should employees have the opportunity to apply in competitions rather than being selected through inventory searches?

37. What methods would best make available to them information concerning vacancies?

38. What role should inventories play in the selection process?

39. Where inventories are used in the selection process, should it be obligatory to advise employees when they have been considered?

40. What measures could be introduced to establish and maintain inventories of candidates who have been prequalified for certain positions?

SECTION II-B-3-C

Recruitment

Recruitment Policy

(pp. 79-89)

41. Should closed competitions always precede open competitions?

42. If not, what criteria should be met prior to proceeding with an open competition?

43. How can recruitment procedures be accelerated to ensure that qualified candidates are not lost to the public service?

44. How many days of delay between a termination of employment and the filling of the position by (a) internal and (b) open competition could be regarded as acceptable?

45. What means can be employed to take advantage of credible and expert advice on the supply and demand situation in the technical/professional labour force, so that a decision to advertise in the open market may be taken at the outset?

Canada Employment Centres

(pp. 79-84,
89-94)

46. Are CEC's able to provide referrals to the public service within the merit principle?

47. If so, what steps are required to ensure that service is efficient and effective?

48. Should other methods of recruitment be available?

49. If so, what should be their nature?

Inventories and Advertising

(pp. 79-84, 94)

50. Do inventories of potential recruits facilitate or complicate the selection process?

51. Should persons whose names are on inventory lists be required to qualify through a competitive process?

52. Should managers have the authority to require a recruiting agency (e.g., Canada Employment Centres) to advertise a vacancy?

53. If so, under what circumstances and subject to what controls?

SECTION II-B-3-d

Selection Board Procedures

Selection Tools

(pp. 96-101)

54. What procedures specifically relating to selection methods (interviews, written tests, etc.) should be employed to ensure the selection of the most qualified candidate?

Competence

(pp. 96-99,
101-102)

55. In what way can selection board members be appointed, briefed, and trained to ensure that selections are based on the merit principle?

Composition

(pp. 96-99,
102-104)

56. What new means can be employed to ensure that selection boards are impartial and perceived to be impartial?

SECTION II-B-3-e

Probation

Purpose of the Probationary Period

(pp. 106-112)

57. What level of performance justifies retention? (Is the purpose of the probationary period to screen out (a) unqualified, (b) poorly qualified, (c) marginal, or (d) below-average employees?)

58. Should probation be defined?

59. If so, what elements should be included in the definition?

60. Against what criteria should a supervisor rate a probationary employee?

61. What should be the nature of the interaction between the supervisor and the employee during the probationary period?

Length of Probationary Periods

(pp. 106-110,
112-114)

62. What factors should determine the length of probationary periods?

63. What are appropriate durations for probationary periods?

64. Should probationary periods vary between groups?

65. Should the probationary period for appointments from outside the public service differ from that for appointments from within? If so, why?

66. Should only days on the job be counted toward completion of the probationary period?

67. Should probationary periods be the subject of either collective bargaining or consultation?

68. If either, which parties should take part in the deliberations and how should final decisions be reached?

Extension of Probation

(pp. 106-110,
114-115)

69. Under what circumstances, if any, should there be provision for extension of the probationary period?

Scope of Redress

(pp. 106-110,
115-116)

70. Should rejection on probation be subject to redress?

71. If so, which redress mechanism and why?

Appointments Exempt from Probation

(pp. 106-110,
116-118)

72. Which types of appointment, if any, should be exempt from a probationary period?

SECTION II-B-3-f

Statutory Priority

Definition of Layoff

(pp. 122-125)

73. Should layoff be defined in legislation?

74. If so, how?

Order of Layoff

(pp. 122-127)

75. What principles should govern the order of layoff and recall?

76. How can the image of the layoff lists be enhanced such that managers with vacancies to fill will give employees who have been laid off the consideration they deserve?

Layoff Procedures

(pp. 122-124,
127-128)

77. What notice should employees receive when their positions are to be declared surplus?

78. Should the period of notice vary with the occupational group?

Responsibility for Process

(pp. 122-124, 128)

79. Should layoff procedures be subject to collective bargaining or consultation?

80. What parties should take part and what method should be used to reach a final decision?

SECTION II-B-3-g

Transfers

Types of Transfer

(pp. 130-138)

81. What types of transfer, if any, should be allowed?

82. If allowed, what restrictions, if any, should be imposed on organizational distance?

83. What differences in duties should be allowed?

Scope of Policy

(pp. 130-134,
139-140)

84. Should there be an overall transfer policy for the public service?

85. If not, what jurisdictional scope should individual policies have, viz, occupational group, department?

86. Are there clusters of positions in each occupational group where transfer could be made without redress rights?

87. How can these clusters be identified?

Responsibility for Transfer Policy

(pp. 130-134,
140-141)

88. Should transfer policies be subject to consultation or collective bargaining?

If so, what types of transfers should be included? If policies should be bargained, what parties should take part and what means used to reach a final decision?

Scope of Redress

(pp. 130-134,
141-143)

89. Should all types or any types of transfer be subject to redress?

90. Should organizational distance and differences in duties involved in a transfer be considered before granting redress rights?

Definition

(pp. 130-134,
143-144)

91. Should the term, transfer, be defined in legislation? If so, in what terms?

SECTION II-B-3-h

Term Appointments

Types of Appointment

(pp. 148-154)

92. What categories or types of appointment (term, indeterminate, temporary, etc.) should be defined in legislation to allow for reasonable flexibility in hiring for non-continuing requirements and yet be equitable to those hired and to those occupying indeterminate appointments?

93. What duration of employment should these definitions cover?

94. Should term appointments be held to a limited time period or to the duration of the project?

95. Should the staffing system allow indeterminate employees easy access to term appointments in an acting capacity?

Competition

96. What types of employee should have the right to compete in closed competitions?

(pp. 148-151,
154-155)

SECTION II-B-4

APPRAISAL

Commitment

(pp. 157-163)

97. What actions need to be taken to bring about overall commitment to an effective appraisal system?

Consistency

(pp. 157-160,
163-164)

98. Should appraisal procedures and forms be consistent for each occupational group?

99. Is the goal of consistency worth pursuing? If so, how can it be attained?

100. Can appraisal procedures be devised which would produce reports from different managers and different organizations that are sufficiently consistent and objective to be used in the competition process?

101. What steps need to be taken to make them so?

Accountability

(pp. 157-160, 164)

102. In what ways can managers be held responsible for their appraisal practices?

Other Methods of Appraisal

(pp. 164-165)

103. What other methods of assessment (e.g. peer assessment, subordinate assessment of supervisors and managers, etc.) could be developed to make the appraisal system more effective?

SECTION II-B-5

TRAINING AND DEVELOPMENT

Types of Training

(pp. 167-173)

104. What types of training should be available to public servants?

105. What are appropriate definitions for the types of training suggested?

Requirements

(pp. 167-170,
173-176)

106. What considerations should determine the requirement for an organization to provide training and development?

107. Should there be a minimum requirement for training to be provided?

108. Should there be a policy that ensures some training when the need is evident and, if not, how do we justify the cost of failure to provide it in terms of the resulting deadwood, reduced productivity, diminished effectiveness, the cost of non-performers on the payroll, lessened service to the public, and poor public image?

Training Sources

(pp. 167-170,
176-178)

109. What reasons should influence the selection from among the various sources for public service training?

110. Under what circumstances should training be provided:

- (a) by the PSC? (b) by departments?
- (c) from outside sources?

Collective Bargaining

(pp. 167-170,
179-181)

111. What are the responsibilities and rights of both parties with respect to training and development?

112. What mechanisms will best accommodate the interests of both?

Selection

(pp. 167-170,
181-184)

113. For what types of training and development, if any, should employees have the right to compete?

114. If there were to be a competitive process, what factors should govern the evaluation of employees with respect to access to training and development opportunities?

SECTION II-B-6

REDRESS

Perception

(pp. 185-191)

115. What steps can be taken to enhance employee recognition of the appeals system as an impartial and independent process?

116. Would a change in the selection and appointment method of appeal board chairmen change the perception?

Organization

(pp. 185-189,
191-193)

117. Can an appeals system housed within the PSC be -- and be seen to be -- independent?

118. If it can, what changes are required to bring this about?

119. If not, what steps are necessary to achieve the degree of independence sought?

Avenues of Redress

(pp. 185-189,
193-195)

120. What steps can be taken to reduce the prevailing confusion as to what avenue of redress should be taken in any specific instance?

Scope of Redress

(pp. 185-189,
195-199)

121. What further personnel actions (training and development, transfers, etc.) should be subject to formal redress, and under what circumstances?

Disclosure

(pp. 185-189,
200-201)

122. What is the most efficient means of meeting this requirement outside the procedure of a formal appeal?

123. Where geographically practical, should the mechanics of full disclosure require a meeting of members of the rating board with the appellant and his representative to review the selection decision?

SECTION II-B-7

CONTROL

Delegation

(pp. 204-212)

124. Should there be delegation of staffing authority?

125. If so, should any exceptions be made?

126. What safeguards, limitations or conditions should be set on the exercise of delegated authority?

Personnel Administrators

(pp. 204-208,
212-214)

127. What should be the role of staffing officers?

128. What should be their reporting relationship?

129. To whom should the certification requirement apply?

Audit

(pp. 204-208,
214-218)

130. What matters should be subject to an external (independent) personnel audit?

131. Should the results of an external audit be made public?

132. If not, to whom should they be made known -- employee representatives? other departments? central agencies?

133. How feasible or advisable is it to integrate independent audits with internal audits?

134. How feasible or advisable are consolidated personnel, financial, and operational audits?

135. What positive steps can be taken toward more effective audit by integrating external and internal personnel audit or by combining audits of personnel, financial, and operational functions?

136. To what extent does the PSC's operational role conflict with or contribute to its audit role?

SECTION II-C-1

EQUALITY OF OPPORTUNITY

137. What positive steps can be taken to (pp. 220-228)
provide greater access to federal public
service employment for women, native
Canadians, and handicapped persons?

SECTION II-C-2

STAFFING IN THE NORTH

138. To what extent, and in what manner, (pp. 229-238)
should personnel management policies and
practices foster the employment and
development of northerners?

139. What changes need to be made to (pp. 230-233)
policies governing the provision and
allocation of Crown-owned housing and
subsidization of private accommodation
to promote the staffing of northern
positions?

140. What steps are necessary to ease (pp. 233-236)
the opening of public service employment
in the north to native Canadians?

141. What practical action is required to (pp. 229-238)
ensure that public service personnel
management policies and practices are adapted
to the unique requirements of the north?

SECTION II-D-1

THE CALIBRE OF MANAGEMENT

Selection of Managers

(pp. 243-246,
251-253)

142. How can selection criteria be amended to reflect precise requirements for managers to demonstrate aptitude and competence in the management of people and personnel systems?

Training of Managers

(pp. 243-245, 247,
251-253)

143. What measures should be taken to infuse the training and development of managers with the attitudes and skills necessary for the effective management of human resources?

Accountability for Personnel Management

(pp. 243-245
248-249, 251-253)

144. What means can be used to delegate the management of personnel through line managers, and emphasize the requirement for them to manage well the people placed in their charge?

145. How can they be held accountable for the results?

Philosophy of Management

(pp. 243-245,
250-253)

146. What means can be used to instill a public service-wide philosophy of management reflecting the commitment of senior management to the importance of managing people as well as systems?

SECTION II-D-2

ACCOUNTABILITY

Accountability for Protection of Merit

(pp. 255-262)

147. Are the present mechanisms of control over departmental exercise of delegated staffing authority, taken in combination with the employee's right of appeal, sufficient to ensure that departments adhere to the provisions of the PSEA?

148. If not, what further mechanisms are necessary?

Accountability of Central Agencies for Service-Wide Personnel Management Function

(pp. 255-259,
262-264)

149. What structures will best support departmental accountability for the management of human resources?

Accountability of Deputy Ministers for Personnel Management

Within Departments

(pp. 255-259,
265-268)

150. What approach should be taken to sub-delegation within departments to ensure the appropriate accountability of managers and personnel specialists?

151. What steps are necessary to provide departments with the personnel information required?

SECTION II-D-3

ROLES

152. What problems in the present allocation of central roles with respect to human resource management are of a nature and of sufficient gravity to warrant realignment of roles? (pp. 272-287)

153. What conditions may exist over the next decade which would require public service personnel management institutions different from those of today? (pp. 272-287)

154. What changes will be necessary to respond to such problems or pressures? (pp. 272-287)

155. What disadvantages would result from proposed changes? (pp. 272-287)

156. How could change be introduced so as to minimize problems and foster an understanding and acceptance of managers' responsibilities in the management of people? (pp. 272-287)

SECTION III
CURRENT INITIATIVES

157. What is the potential of the service-wide initiatives described to deal with the causes of the criticisms heard with regard to personnel management in the Federal Public Service?

(pp. 289-295)

APPENDIX D
EXECUTIVE SUMMARY

Intervenors who seek only a summary of the views which we have heard may wish to concentrate on Subsection A of Section II - The Public Service Employment Act - An Overview of Issues (p. 12) and on those parts entitled "Issues and Criticisms". The subject matter of each issue and criticism together with the page references in the text are indicated below:

<u>Issues and Criticisms</u>	Page
Merit	17-28
Political Participation	30-32
Staffing	
a. Selection Standards and their Use in the Selection Process	41-44
b. Access to Competitions and Screening	55-61
c. Recruitment	79-84
d. Selection Board Procedures	96-99
e. Probation	106-110
f. Statutory Priority	122-124
g. Transfers	130-134
h. Term Appointments	148-151

<u>Issues and Criticisms</u>	Page
Appraisal	157-160
Training and Development	167-170
Redress	185-189
Control	204-208
Equality of Opportunity*	220-228
Staffing in the North	230-238
Calibre of Management	243-245
Accountability	255-259
Roles	272-281

* "Equality of Opportunity" in its entirety reflects issues and criticisms.

